

EVER TO USE J. TREVOR...
for valuations,
rating.

Telephone for information -
London 629 8551, Manchester 236 8627

J. TREVOR & SONS

FINANCIAL TIMES

No. 27,643

Tuesday August 22 1978

***15p

Travis & Arnold

Timber, Building Materials, Heating and
Plumbing Equipment for the Construction
and Allied Trades. Northampton 52333

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE F 1.9; GERMANY DM 2.0; ITALY L 500; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 20; SPAIN Ptas 40; SWEDEN Kr 3.35; SWITZERLAND Fr 2.0; UK £ 1p

NEWS SUMMARY

GENERAL

Israeli jets strike back

As security around Israeli targets in London was being tightened yesterday after Sunday's attack on an El Al bus in Mayfair, Israeli warplanes pounded two Palestinian bases south of Beirut.

At least three people were killed and 14 wounded in the dawn raids by Israeli jets, staged in retaliation for the Mayfair machine-gun attack in which two people died and nine were injured.

Both Israel and El Al has criticised Britain's security arrangements, condemning restrictions imposed on Israelis by the police. A massive security operation was staged at Heathrow as yesterday's first El Al flight arrived from New York. Back and Page 4

President dies

South African President Nicolaas Diederichs died in Cape Town, after a series of heart attacks. He was 74.

Van in ambush

A council workman died and seven others were injured in a machine gun attack on their van near the County Fermanagh border, outside the village of Belcoo, Northern Ireland.

Sub slips tow

The crippled Soviet submarine, which was being towed round the north coast of Scotland with a Soviet escort, slipped her tow and headed for Russian naval headquarters at Murmansk under her own power.

Gun raid fails

Security men hid inside their locked and reinforced van in east London until hooded gunmen abandoned an attempted raid.

Death toll rises

The death toll in the cinema fire caused by saboteurs in Abadan, Iran, has risen to 430. Some suspects have been arrested. Pages 4 and 12

Search spreads

Frogmen and mounted police joined in the search for missing newspaper delivery girl Jeanette Tate, 13, whose bicycle was found abandoned in a country lane on Saturday near Aylesbury, Devon.

Hua welcomed

Chinese leader Hua Kuo-feng received an enthusiastic welcome from President Tito when he arrived in Belgrade, Yugoslavia, from Romania. Page 3

Row over play

Miss Caryl Churchill, author of a play concerning IRA bomber William Gallagher, said that an injunction may be taken out against the BBC, which proposes to screen the politically censored play tonight against her wishes.

Student vigil

Students staged a vigil round a statue of their patron saint Wenceslas in Prague to mark the tenth anniversary of the Soviet-led invasion into Czechoslovakia.

Briefly...

U.S. Air Force F-5 aircraft crashed in the North Sea off the Danish coast.

Entertainer in Quebec was strangled by one of his snakes during a cabaret performance.

Some 60,000 supermarket workers in Southern California went on strike over pay.

Strong tremor rocked western Argentina provinces, but caused no casualties.

Indian army has rescued more than 50,000 people marooned by floods.

Prague workmen found three dead men at the bottom of a distillery vat.

Communist guerrillas killed five policemen in Manila.

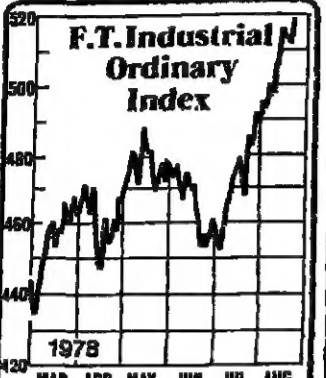
Sussex police were trying to trace the parents of a baby girl found in a Haywards Heath telephone kiosk.

BUSINESS

Equities up 6.3; Gilts ease

● EQUITY markets attracted some public buying interest, and the resulting rise in industrial pushed the FT Ordinary index up 6.3 to 519.2.

In Frankfurt, the Commerzbank index rose 5.3 to 823.4.



its highest for eight years, but in Hong Kong, profit-taking curbed the recent rises in the Hang Seng index which closed 33.12 down at 657.00.

● GILTS eased after coming under fairly aggressive selling early in the day, and the Government Securities index fell 0.25 to 70.45.

● STERLING fell 1.45 cents to \$1.9285, and its trade-weighted index was unchanged at 62.3. The dollar's depreciation narrowed to 8.9 per cent (9.7).

● GOLD fell \$4½ in London to \$305½.

● WALL STREET was 7.88 down at 888.95 just before the close.

● UK remained the world's second largest earner of net invisibles in 1976, with a surplus of \$8.4bn (\$4.2bn). The U.S. surplus was \$18.2bn against \$13.6bn. Page 5

● INDUSTRY SECRETARY is to be asked to check cheap special steel imports from Europe, following an NEDO study which showed that the UK steel industry's complaints were justified, and that damage to independent steelmakers could be averted unless action was taken. Back Page

● CIVIL SERVANTS leader has criticised the Government's Phase Four pay guidelines policy as inadequate and unrealistic. Page 7

● SPAIN'S consumer prices rose by 2 per cent in July, the biggest monthly increase this year, according to Spanish Government provisional figures. Page 2

● FARMERS in England and Wales are harvesting the biggest cereals acreage since the Second World War, with 3.6 per cent more land under grain than last year. Page 21

● BRITISH COAL INTERNATIONAL, the consultancy wing of the NCB, is close to negotiating a £50m contract for UK companies to expand the coal industry of a South American country. Back Page

● ALCAN ALUMINIUM (UK) has announced an average 5 per cent increase in some aluminium products.

● BOCM-NILCOCK'S use of loyalty discounts to merchants dealing with compound animal feedstuffs is to be studied by the Monopolies Commission. Back Page

● DONE PETROLEUM is believed to be about to take over Siebens Oil and Gas in a deal worth nearly £840m (£180m). Back Page

COMPANIES

● GENERAL ENGINEERING expects a pre-tax loss of up to £0.7m for the first half of 1978, although turnover is expected to increase from £2.8m to £3.5m. Page 15

● AMALGAMATED METAL Corporation taxable earnings for the second quarter rose from £1.4m to £3.13m, lifting profit for the first six months to £3.7m (£4.18m). Page 14 and Lex

U.S. ready to step up action to support currency

BY JUREK MARTIN, U.S. EDITOR, Washington, August 21

The U.S. Central Bank and the Treasury are ready to "escalate" action to support the dollar if market conditions demand it, says Mr. William Miller, chairman of the Federal Reserve.

It would be a mistake to allow "uncontrolled market forces" to drive down the dollar, he told the New York Journal of Commerce newspaper in an interview given last Friday and published today.

The currency was already undervalued "on the basis of the fundamentals" which were already beginning to show improvement.

"A further degree of constraint" on the domestic economy would be needed to help strengthen the dollar. This, he said, would prove "bitter medicine".

An early announcement of additional measures did not appear today to be in the offing. President Carter is on holiday for the next two weeks, as are the two senior men at the Treasury, Mr. Michael Blumenthal, the Secretary, and Mr. Anthony Solomon, whose responsibility is international monetary affairs.

The Treasury said today that it was studying various policies. The Department was encouraged by the improvement in the dollar evident in the markets today following its rally in New York late on Friday.

Options

Mr. Miller, in his interview, outlined several options. He mentioned larger sales of U.S. gold reserves, sales of Special Drawing Rights (SDRs), expanded swap lines with foreign central banks, possible sale of foreign currency-denominated U.S. Treasury bonds, tougher anti-inflation policies and administrative action on oil imports.

But these, he said, constituted "nothing new under the sun." The purpose was to find the right combination and timing of such actions to serve the purpose without undesirable side effects.

Mr. Miller acknowledged that if the U.S. did not act "there will be tremendous pressure for the Organisation of Petroleum Exporting Countries (OPEC) to think of a solution, either through increased prices or through a shift to another form of payment."

An indication of this pressure was reported today by Middle East Economic Survey, which quoted Sheikh Yamani, the Saudi Oil Minister, as saying that the Kingdom might favour a series of small and graduated oil price increases in coming months.

Such steps, he is reported to have said, could be designed to minimise the impact on the western industrialised economies. On the domestic economy, the Fed chairman said that "capital controls, credit controls and wage and price controls are not called for and wouldn't work."

EEC illegal immigrant directive under fire

BY RICHARD EVANS, LOBBY EDITOR

A EUROPEAN Community draft directive which proposes penalties on employers of illegal immigrants is severely criticised by a committee of MPs in a report published yesterday.

The Commons Select Committee on European Legislation, which sifts all legislation proposed from Brussels, says the directive raises questions of legal and political importance, and should be considered by Parliament before acceptance.

The MPs add that the Commission might also wish to "express its dissatisfaction" that the proposals, which had been withdrawn for further consideration by the European Commission, appear almost unaltered in the new draft sent to member states.

The stage therefore appears to be set for a confrontation between the Westminster Parliament and the European Commission headed by Mr. Roy Jenkins, former Labour deputy leader.

The draft directive, which seeks to reduce illegal immigration and legal employment in the community, would impose penalties, including the possibility of imprisonment, on those who organise or participate in illegal immigration.

In an earlier report, the Select Committee said that controls at the place of work were generally undesirable and MPs drew attention to the fact that the requirement for a member state to act against an employer who employed an illegal immigrant would mean the creation in the UK of a new criminal offence.

It was argued that a "new and undesirable departure" would follow from the introduction of imprisonment as a penalty for serious cases as in the past member countries had been free to determine the means used to enforce EEC directives.

In addition to the retention of the criticised provisions, the new draft removes the safeguard that those involved in illegal immigration and employment could be subject to penalty only if they took part in these activities knowingly. This aspect is also criticised by the MPs.

The draft directive is one of four which the Select Committee believes raises questions of legal and political importance which need further consideration by Parliament before acceptance.

Thomson Organisation extends oil and gas activities to U.S.

BY SUE CAMERON

THE THOMSON Organisation is extending its oil and gas activities to the U.S. by forming an onshore and acquisition partnership with Monteth Minerals, a privately-owned American company.

Thomson said yesterday that the partnership marked the "first step" towards putting its oil and gas operations on an international basis. The move comes less than a month after the company merged all its U.K. interests with the Thomson family's North Sea oil interests under a Canadian holding company.

Until now the Thomson Organisation has had no oil or gas interests outside the North Sea although Thomson family companies have a small drilling prospect in North Dakota.

The new Thomson-Monteth partnership will concentrate on onshore oil and gas exploration in the U.S. and it will also seek opportunities to buy onshore production companies.

It will be led by Mr. Edward Monteth of Monteth Minerals, a new U.S. company which has no production interests and which is essentially vehicle for Mr. Monteth's activities. The expertise for Thomson-

Monteth will come partly from Mr. Monteth himself, who has worked on the financing of oil onshore and acquisition with the International Energy Bank and the Republic National Bank of Dallas, and partly from the Thomson Organisation's own North Sea staff.

Thomson said it had made only a small initial investment in the new partnership, as had Monteth Minerals, but more cash would be injected as and when suitable opportunities arose.

Mr. Ian Clubb, managing director of Thomson North Sea, said Thomson felt that oil and gas was an "attractive area to be in."

He said the U.S. had considerable potential because entry costs for oil and gas exploration and production were comparatively cheap - certainly less costly than for the North Sea. Initial onshore costs were also cheaper than those for offshore work.

Thomson Petroleum Holdings, a newly formed American company, will hold the Thomson Organisation's interest in the partnership.

of resuming their work-to-rule over the coming weekend.

Controllers at Brest, Brittany, have shown similar resolve and those at Bordeaux, where industrial action has been going on the longest, are unlikely to decide differently tomorrow.

A national meeting of representatives of the 2,500 controllers, due tomorrow, will decide whether to pursue the go-slow.

Continued on Back Page

More air delays likely

BY DAVID WHITE

PARIS, August 21

ANOTHER WEEKEND of air traffic hold-ups throughout Europe appeared a virtual certainty tonight as French controllers dug in for a further battle over pay and conditions.

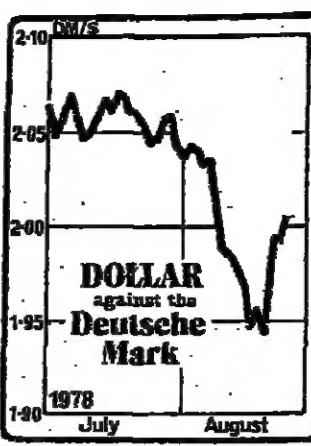
Air traffic controllers at the main centres of Athens-Mons, near Paris, responsible for all flights through northern France, and Ais-en-Provence, responsible for the south-east, voted in favour

of resuming their work-to-rule over the coming weekend.

Controllers at Brest, Brittany, have shown similar resolve and those at Bordeaux, where industrial action has been going on the longest, are unlikely to decide differently tomorrow.

A national meeting of representatives of the 2,500 controllers, due tomorrow, will decide whether to pursue the go-slow.

Continued on Back Page



Dollar well ahead

By Peter Riddell, Economics Correspondent

THE DOLLAR yesterday rose to its highest level against most other major currencies for more than a fortnight, contrast to its steep fall earlier in August.

The rally began at the end of last week following President Carter's intervention and the subsequent rise in U.S. short-term interest rates. Trading conditions remained nervous yesterday. After sharp early gains in Europe in the morning, the dollar fell back slightly in late afternoon, when the New York market opened, but closed well up on the day.

Trading was described as more active than at the end of last week but was still relatively thin. Earlier profits have now been taken, and foreign exchange dealers appear reluctant to commit themselves to new positions in view of uncertainty how long the recovery will last.

Scepticism

Although last week's moves by the U.S. administration have been welcomed, there is still scepticism ahead of any further action to strengthen the currency.

The dollar yesterday rose to DM 2.0200, its best level for over a fortnight, before coming back to close at DM 2.0050, compared with DM 1.9810 on Friday.

Similarly, the U.S. currency also finished somewhat below its best, though well up on the day, against the Swiss franc, at Sfr 1.6575, against Sfr 1.6375 before the weekend, and against the yen, at ¥192.99 against ¥188.50 on Friday.

The recent rally has been Continued on Back Page

| | Aug. 18 | Previous |
|-----------|---------------|---------------|
| Spot | \$1.9200-9470 | \$1.9200-9700 |
| 1 month | 0.60-0.20 pts | 0.60-0.20 pts |
| 3 months | 1.20-1.30 pts | 1.20-1.30 pts |
| 18 months | 4.90-4.30 pts | 4.90-4.30 pts |

Meriden and Kirkby face new problems

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE LAST two surviving workers' co-operatives set up by Mr. Anthony Wedgwood Benn when he was Secretary for Industry three years ago are now facing fresh financial problems which could endanger their future.

At the Meriden motorcycle co-operative near Coventry there is thought to be concern that, unless management and other changes are introduced, it will be unable to meet interest repayments due to be made to the Government next year.

Meanwhile, the Kirkby Manufacturing and Engineering co-operative on Merseyside has also failed to produce profits. It is now urgently seeking new sources of funds to allow it to meet recommendations on restructuring contained in a recent report prepared by PA Management Consultants.

Neither co-operative is in immediate danger because Meriden has sufficient motor cycle orders while there is no sign that Kirkby's banker, the National Westminster, is about to withdraw its credit arrangements.

But Ministers who have been consulted about the problems recently have shown no interest in providing new large sums of State aid.

Expertise

In April last year, when Kirkby was given a £550,000 Government grant on top of nearly £4m it had received in 1975, Mr. Eric Varley, Industry Secretary, indicated that it was the last tranche of the co-operative would need.

The last Meriden rescue was launched 18 months ago, when the co-operative was making a loss. A temporary package put together by Mr. Harold Lever, Chancellor of the Duchy of Lancaster, led to EEC providing a £1m credit facility and managerial expertise. Earlier, GKN had provided expert managerial help.

Since then, progress has been made towards making the operation viable. But it is questionable whether sufficient profits will be generated in the coming months to start interest repayments to the Government on a £4.2m loan next June when repayment of over £1m deferred interest also falls due.

Immediate

The political question of whether to waive the payments or grant a further extension will therefore be confronted, whichever day the Government is in power early next year.

Meanwhile, the co-operative which has a 600-strong labour force, may try to generate profits now much can be made public.

by strengthening its management and the obvious place for it to turn for help would be to GEC and GKN which helped it before. The financial problems at Kirkby, are more immediate although the PA Management Consultants' report, prepared earlier this year, mapped out a prosperous future for the venture if certain changes were introduced.

As a result, the production of fruit drinks and night storage heaters has been abandoned and the co-operative is concentrating on make central heating radiators.

It has nearly 10 per cent of the UK radiator market and also produces air conditioning equipment and does metal presswork.

Opposition

Some recommendations in the report, such as strengthening general commercial management expertise and hiring a marketing specialist, have not been implemented. There have also been reports of low productivity.

The financial arrangements proposed by the consultants depend on the co-operative's raising fresh equity because Ministers expressed reluctance to invest more Government money.

The co-operative is understood to have had talks with financial institutions and industrial companies and is still hoping that it will find a backer.

There is considerable opposition in Whitehall to both ventures because of the way they were rescued by Mr. Benn against the advice of his senior Industry Department civil servants.

But Meriden, which is the last motor cycle manufacturer in Britain, is regarded more sympathetically than Kirkby which does not have a clear product identity.

Supporters of the general development of workers' co-operatives also regard the two enterprises, which rely more on State funds than on worker investments with some disfavour.

Plutonium dust inquiry starts

SIR EDWARD POCHIN, the radiologist, is to visit the Atomic Weapons Research Centre at Aldermaston, Berkshire, tomorrow, to begin his two-month independent investigation into whether the plutonium dust contamination of 12 workers there, yesterday, was caused by a leak from the facility.

His report will be submitted to Mr. Fred Mulley, Defence Secretary, who will decide on security grounds, how much can be made public.

Rent a KIENZLE computer for under £65 weekly!

Kienzle Computers

Simple to install
The Kienzle 2000 is an office computer.

Just move it into your Accounts Department and away you go.

Easy to Use
We'll show you how to use your Kienzle. Two months from now it could be running in your office with the minimum of upheaval.

Seeing is believing
Visit some of our users and see for yourself just how a Kienzle works for them. You'll be under no obligation. Just give us a call or use the coupon.

Kienzle Data Systems, 224 Bath Rd., Slough SL1 4DS
Tel Slough 33355 Telex 848535 KIENZLE G

Branches also at: Birmingham, Bristol, Bury St Edmunds, Manchester, Newcastle, Wells, Wokingham, Aberdeen (agent), and Dublin.

SEND ME MORE FACTS!

My name is _____
My position is _____
Just cut out and clip it to your company letterhead or Post it to us today!

We say Kienzle - You say KEENS-LE

هكذا من الأصل

Exciting aerospace projects!

Are you up to them?

Westland Helicopters are about to start work on another exciting design and build project for a new large helicopter.

For this and our other new technology projects, we need high-flying, high calibre **designers and engineers, avionics and electronics talents** with a taste for the spirit of innovation at both our Yeovil and Weston-super-Mare locations.

These enormously exciting projects offer pioneer opportunities unavailable elsewhere in Britain.

For further information and confidential application form write to the: Director of Advanced Engineering, Westland Helicopters Limited, Yeovil, Somerset.

or, if you are at the Farnborough Air Show, why not call and see us at the Queens Hotel, Farnborough between 10.00 a.m. and 5.00 p.m. any day from Monday, 4th to Sunday, 10th September.

Westland - worth working for!

EUROPEAN NEWS

Spanish consumer prices increase by 2% in July

BY ROBERT GRAHAM

MADRID, August 21.

CONSUMER PRICES in Spain rose by two per cent in July, according to provisional estimates from the National Institute of Statistics. This is the biggest monthly increase this year and is a disturbing sign that the Government's attempt to hold down prices is being eroded.

The main increase came from foodstuffs, which rose by 3.8 per cent against the previous month. Traditionally foodstuffs increase during the summer months but the increase appears to be unusually high.

For the first three months of the year, inflation was held steady at 14 per cent below the target of 15 to 16 per cent. However, in April there was a sharp acceleration but then in May and June the inflation rate fell back well within Government guidelines. This enabled the Government to complete the half year with an inflation rate, computed on an annual basis, of 15 per cent. If the rate had been higher, wage agreements could have been revised under the terms of the Moncloa Pact, the package of political and economic measures agreed last October by the main political parties.

Thus the more sceptical observers see the sudden spurt in prices in July as the result of holding up certain price increases until the end of the first half of the year.

The Government now faces an uphill task in meeting its target of holding inflation down to 15-16 per cent for 1978. Many manufacturers and shopkeepers take advantage of the end of summer to raise prices. More importantly, the Government is committed to increasing the prices of a number of key items like industrial fuel, electricity and steel before the end of the year.

Air traffic strikers vote on escalation

PARIS, August 21.

FRENCH air traffic controllers, whose weekend go-slows have disrupted the holidays of thousands of tourists, will decide tomorrow what action to take following inconclusive talks with the Government on pay and better working conditions.

Controllers at one of France's four traffic centres voted today to take a hard line at tomorrow's meeting. They are proposing a new go-slow, of the type which has caused chaos across European air lanes several times this summer, informed sources said.

The decision to propose a new work-to-rule was taken by controllers at Aix-en-Provence. It will be put before their colleagues from Paris, Brest and Bordeaux when delegates from the four centres meet here tomorrow.

Informed sources said a new go-slow might be fixed for the end of the month when the number of flights bringing northern Europeans home from holiday will be particularly high.

A similar action took place at the start of the month when much air travel over West Europe was virtually crippled.

At Ramstein, West Germany, August 21—A.U.S. Air Force F-5 aircraft crashed in the North Sea off the northwest coast of Denmark today, a spokesman for the American headquarters of the American Air Force here said.

Search and rescue aircraft were sent to the scene of the crash but no information about the plane's crew was immediately available.

The plane, based at Alconbury, England, was taking part in a training exercise when it crashed.

President Scheel will not return to party politics

BY JONATHAN CARR

BONN, August 21.

WEST GERMANY'S President and Hamburg in April, there has been growing private criticism of the leadership of Herr Hans-Dietrich Genscher, Herr Scheel's successor as party chairman. Last week Herr Juergen Moellmann, an FDP deputy, publicly stated that Herr Scheel was "so impressive a personality" that efforts should be made to win him back to party politics when he stepped down as head of state.

While Herr Scheel's presidency has been praised for energy and fairness right across party lines, the likelihood of his being elected for a second term next year are held to be small.

The President is elected by a federal convention which groups representatives from both the Lower House of the Federal

Parliament and the provincial state parliaments. Since the Herr Willy Brandt in 1969, 1974 election, the federal opposition Christian Democrats exists to this day. He was elected President in May, 1974, majority in the convention shortly after the resignation of against the SPD-FDP. It is felt likely that they will vote in one of their own number, unless

Particularly since the FDP of their own number, unless was driven out of the state there is a major change in party legislatures in Lower Saxony alliances before then.

Norwegian offshore oil output up

OSLO, August 21.

NORWAY'S OFFSHORE oil from the Ekofisk Field was 5.2m bbls produced 9.7m tonnes of oil equivalents, and crude oil in the first seven from the Frigg Field 1.7m months of this year compared tonnes of oil equivalents. No period last year, the Directorate same period last year were for Oil said.

Production of natural gas Reuter.

Aliens Bill presented to Swiss Parliament

By John Wicks

ZURICH, August 21.

A NEW ALIENS LAW, the first of which has been presented to the Swiss Parliament by the governing Federal Council would provide that, after years' continuous residence in the country, foreigners have a right to extend their residence permits.

After 10 years' residence less or more in certain cases aliens will be entitled to domicile rights.

However, foreign employers who have not been in Switzerland for five years will be their residence permits renewed only if no Swiss citizen domiciled alien or alien, five or more years' residence can be found to carry out work in question under normal conditions of employment.

Also should there be a drop in employment in the country as a whole, individual regions or individual sectors of economy, the Government would have the right to limit the residence permits.

The Bill, which is widely criticised in Switzerland, is not going far enough to prove the situation of foreign workers, provides for a continuation of the seasonal worker category, while legislation against abuses of the category which have been current.

Seasonal permits will be granted only for up to six months in a given year and the case of seasonal industries such as tourism or construction.

However, seasonal workers present in Switzerland for 3 months in four consecutive years will be entitled to residence permit, and this period can be lowered by the Federal Council as long as the principle of stability of the foreign workforce does not suffer as a result.

The law would improve the legal position of aliens in Switzerland and their situation with regard to human rights. This includes a right to political activity, which has hitherto been considerably restricted.

To run the finances of a multi-market business like The Thomson Organisation, a man must be as multi-faceted as his company.



W. Michael Brown, Finance Director, The Thomson Organisation

His banker must be the same.

David A. Moring, Vice-President, Chemical Bank

As Finance Director of The Thomson Organisation, Michael Brown must manage the financial resources and help assure the profitability of a large and rapidly growing group with interests in publishing, travel and petroleum.

Thomson publishes The Times, The Sunday Times, regional newspapers, books, Family Circle in the UK, Living, numerous trade, technical and educational publications in some ten countries around the world, owns Thomson Travel and its subsidiary Britannia Airways. Through an association with the Occidental Consortium, it is involved in the development of oil fields in the North Sea.

So Michael Brown must have

in-depth financial knowledge not only about Thomson's products, but about the countries in which Thomson operates. His Chemical Banker, David Moring, must have the same.

"David's understanding of our business is important," says Brown. "But so are the flexibility and fast response he and his Chemical Bankers come up with."

Working closely with Michael Brown, David Moring and his team have provided TTO's publishing interests with multi-purpose, multi-duration credit facilities in six local currencies exactly when required. In a half-hour meeting, they thrashed out an agreement in principle on a medium-term loan for North Sea oil development.

Through Chemco International Leasing, a Chemical Bank subsidiary, they helped Thomson's Britannia Airways lease a Boeing 737-200 in minimum time.

Says Brown, "Chemical Bankers get things done because they don't have to go back to the head office for approval on every decision. Obviously, Michael Brown works with other international banks. But David Moring's personal understanding of The Thomson Organisation and the bank's flexibility are two important reasons their relationship continues to grow. That's what usually happens when financial executives get together with Chemical Bankers."

The difference in money is people. **CHEMICAL BANK**

Chemical Bank House, 180 Strand, London WC2R 2ET Tel: 379 2474 Representative Offices: Scottish: Edinburgh, Glasgow, Aberdeen, Dundee, Belfast, London, Manchester, Birmingham, Bristol, Cardiff, Exeter, Gloucester, Ipswich, Liverpool, London, Manchester, Newcastle, Nottingham, Oxford, Plymouth, Reading, Southampton, Swansea, Telford, Wolverhampton. U.S.: New York, N.Y., Boston, Chicago, Dallas, Denver, Detroit, Houston, Los Angeles, Miami, Minneapolis, New Orleans, New York, N.Y., Philadelphia, San Francisco, Seattle, St. Louis, Washington, D.C. Other: Hong Kong, Singapore, Sydney, Tokyo, Toronto, Vienna, Zurich.

EUROPEAN NEWS

West German car production up 5% in first seven months

BY GUY HAWTHORN

FRANKFURT, August 21.

BEST GERMAN car production today that July's production totals were well below those of the first seven months of 1977. At 138,900 cars and estate vehicles, production in the first seven months of 1978 compared with 222,865 cars and estate vehicles in the same period last year.

Commercial vehicle production has continued to be depressed throughout the seven months. At the end of this period, output was 7 per cent down from the 181,830 units produced in the first seven months of 1977 to 168,600 units.

The reason for the commercial vehicle builders' plight is a significant fall in overseas demand for their products. At the end of the first five months of the current year their shipments abroad were 22 per cent below the 1977 totals and there is no real sign of any upturn.

A report on the industry's January to July performance, published by the Verband Der Automobilindustrie (VDA), the industry's trade association, said

Da Costa's fate may rest with Communists

By Jimmy Burns

LISBON, August 21.

WITH THE recall of Parliament from summer recess tomorrow, Sr. Alfredo da Costa, the Prime Minister designate will begin to shape for the first time the level of support among the political parties for the "presidential solution" to the country's government crisis.

And as Sr. da Costa's government nears completion, Portugal's leading parliamentary party, the Socialists, will soon be pressed into deciding whether it should turn the virulent rhetoric of the past week into concrete action—namely to back a motion of rejection directed at Sr. da Costa and his government programme. Ironically, the fate of Sr. da Costa's government may ultimately rest less with the Socialists than with the party that has maintained a low profile throughout the four-week-long political crisis, the Communist Party.

The ball was hit squarely into the Communist camp at a Socialist weekend rally when leading Socialists declared that the party would vote against the government only after another party had introduced the motion of rejection.

Neither the Christian Democrats nor the Right-wing Social Democrats (PSD) are likely to introduce such a motion, which would effectively represent a direct challenge to President Antonio Ramalho Eanes, who selected Sr. da Costa.

Meanwhile, the Prime Minister designate is reliably reported to be worried about the ease with which his appointment could create a bipolarisation of political forces. He is believed to have been to play down the Right-wing image of him created by the media here.

His ministerial appointments so far show a tendency towards continuity rather than controversy. Dr. Jose Silva Lopes, the new Finance Minister, worked closely with his predecessor Dr. Vitor Constancia in three key areas: negotiations with the EEC, the agreement with the International Monetary Fund, and the consequent implementation of a strict monetary policy through the Bank of Portugal.

Significantly, Sr. da Costa is leaving the naming of key Ministers in previously controversial ministries, such as agriculture, health and labour, until the last moment, hoping to strike a political balance in all three.

Warm welcome for Hua in Belgrade

BY OUR OWN CORRESPONDENT

CHAIRMAN HUA KUO-FENG, the Chinese Communist Party leader and Premier, arrived here today on what the Yugoslav Foreign Ministry officially described as "a very significant visit."

The 86-year-old Marshal Tito, who last September paid a highly successful visit to Peking, warmly embraced the Chinese leader who was received with full military honours.

The Yugoslav Press has made it clear in a series of commentaries in the past few days that Chairman Hua's visit has at least a threefold significance.

It is seen here as a demonstration against Soviet aspirations to hegemony over the Communist world. Further, the Yugoslavs hope that it could mark further progress in establishing the diversity of models

regarded as possible for socialist development.

And finally, it is expected to give a new impulse to economic co-operation between the two countries.

Regardless of recent attacks on the visit by the Soviet Union and Bulgaria, the Yugoslavs stress rather than downplay the unique background to this pathbreaking visit.

Everybody here knows that in the 1960s, China was second to none in condemning Yugoslavia as a symbol of "treacherous modern revisionism" and that between 1958-1970 the two countries did not even have ambassadors in each other's capitals.

Thus the normalisation of relations between the two countries and their Communist parties is regarded here, and justly so, as a recognition of

Yugoslavia's unique internal system and non-aligned foreign policy.

The Yugoslav papers and television report daily about the enormous Chinese interest in the Yugoslav system of economic self-management and administrative decentralisation.

Thus Politika, the leading Yugoslav daily, today carries a lengthy report from its Peking correspondent on how Yugoslavia is regarded as one of China's closest friends and how Chinese television carries daily reports from Yugoslavia on events there.

As to economic relations, the value of Sino-Yugoslav trade this year is expected to reach \$200m, twice as much as last year. In the near future a long-term economic agreement is expected to be signed.

Summit talks between the two leaders have already

BELGRADE, August 21.

begun this afternoon, in addition to further negotiations involving full-scale delegations from each side. Chairman Hua will also pay visits to the Republics of Macedonia and Croatia before spending the weekend and Monday at Marshal Tito's island retreat on the Adriatic island of Brioni.

Mr. Leonid Brezhnev, the Soviet President, and the Bulgarian Communist Party leader Mr. Todor Zhivkov have just issued a joint statement warning against plotting by unspecified forces in the Balkans, and attacking China in the next sentence.

As Macedonia remains the main bone of contention between Yugoslavia and Bulgaria, Chairman Hua's visit to Skopje, the capital of Macedonia, is awaited with particular interest.

mutual admiration and co-operation were made after all as all Soviet bloc papers were attacking China as a threat to peace both in the Balkans and Asia.

Chairman Hua Kuo-feng appeared more and more relaxed as the visit to Romania progressed. He impressed Romanian and foreign observers as a distinctly "virile" person compared to the ageing Soviet leader.

As a Romanian high official put it to me, "he may well be around even in 20 years." The Chairman, after all, is only 57 years old.

What, of course, added insult to injury in Soviet eyes was the revelation in a recent Albanian protest letter sent to China that the late Premier Chou En-lai on two occasions—in 1965 and 1975—suggested to Albanian leaders that they should conclude a military alliance with Romania and Yugoslavia.

This, of course, poured oil on to the smouldering Soviet suspicions that China has embarked on a strategy of "encircling" the Soviet Union.

According to informed sources, the Soviets were also angry because the Romanians have once again, even if only indirectly, raised the thorny issues of Bessarabia and Northern Bucovina, incorporated into Soviet Russia in the summer of 1940.

Be that as it may, the Romanians are confident that they once again can get away with their independent-minded foreign policy. The Soviets have in fact no levers, short of armed intervention, of enforcing a radical policy change in Romania. This perhaps may well be the main conclusion which emerges from the way in which the unprecedented Chinese visit to the tenth anniversary of the Soviet-led invasion of Czechoslovakia.

Bonn attack on TV reporting restriction

By Our Own Correspondent

BERLIN, August 21. THE EAST GERMAN prohibition on an accredited West German television correspondent last week won a sharp rebuke from the government, in Bonn today. The correspondent, Herr Lutz Lehmann was told that he could not interview East German writers as this was against the law.

A Bonn government spokesman, Dr. Armin Gruenewald, today described the action as a grave interference with the freedom of the press and East Berlin on free information and reporting. The West German representative in East Berlin raised the matter with the authorities there last Friday, and Dr. Gruenewald said Bonn now reserved the right to take further steps in the next few days, though he declined to specify them at this stage.

Meanwhile, East Germany today urged the Soviet Union and the other Warsaw Pact countries for sending "military units" into Czechoslovakia on August 21, 1968, and thereby helping the "fraternal Czechoslovak people defend socialist achievements."

The East German Communist Party newspaper, Neues Deutschland, said that 10 years ago Western "imperialists" had linked with "counter-revolutionary forces" inside Czechoslovakia which were operating under the guise of "humane socialism" in order to "pry loose Czechoslovakia from the Warsaw Pact."

The "imperialists," according to Neues Deutschland, counted on success at this part of the front in the international class struggle because "difficulties had arisen in the development of the socialist order in Czechoslovakia."

In 1968, East Germany, under its late Communist leader, Herr Walter Ulbricht, felt its issues of Bessarabia and Northern Bucovina, incorporated into Soviet Russia in the summer of 1940.

Be that as it may, the Romanians are confident that they once again can get away with their independent-minded foreign policy. The Soviets have in fact no levers, short of armed intervention, of enforcing a radical policy change in Romania. This perhaps may well be the main conclusion which emerges from the way in which the unprecedented Chinese visit to the tenth anniversary of the Soviet-led invasion of Czechoslovakia.

E. Berlin investment curb

BY LESLIE COLLIT

BERLIN, August 21.

EAST GERMANY has issued a decree designed to curb "unplanned investments" which are rising at a faster rate than approved investments under the current Five-Year Plan.

The investments' directive has been published in the official gazette and is to become law on September 1.

At a central committee meeting May, President Erich Honecker, who is also general secretary of the East German Communist Party, criticised the high level of unplanned investments, which are thought to amount to billions of marks.

Herr Honecker said these were a violation of the Plan, which has the force of law in a Communist country, and he suggested that unapproved investments might be regarded as an economic crime.

During the first half of this year, East German investments increased by 3.5 per cent compared with the 2.1 per cent annual rate stipulated by the Plan.

In July the East German party and Government issued instructions to reduce the number of investment projects to be started next year. Instead, more investments are to be undertaken to rationalise production.

The instructions also called for a reduction in the number of uncompleted investment projects which tie up unproductive capital because of construction delays or investment cut-offs. The new decree lays down detailed directions to be followed by factories and planning agencies before investments can be approved.

Future investments are to be undertaken mainly for rationalisation and the renewal of existing equipment. Investment in new construction and equipment may only take place if a number of prerequisites are met.

The new production capacity must be utilised by a number of work shifts, and all possibilities of rationalisation must be exploited. The workforces for the newly created facilities cannot be hired away from elsewhere in the economy, but must have been set free by rationalisation within the factory.

Before the investment for production of a certain item can be made, "uncompromising comparisons must be made with the most advanced international equivalent" of the product in question. Approval for investment is to hinge on whether the investment project and the follow-up investments "can be included in the economic indicators of the Five-Year Plan and the annual plans."

Ceausescu bolsters his independence

BY PAUL LENDVAY, IN BUCHAREST

Balkans as in itself an affront, licenced visit to a consumer goods exhibition which had actually been opened three weeks earlier. After President Ceausescu met the Soviet President Mr. Leonid Brezhnev in the Crimea minutes before the Presidential visit to the exhibition—but only visit, the Romanians were four minutes about Chairman Hua's travels in the countryside.

Chairman Hua impressed Romanian observers as a distinctly "virile" person compared to the ageing Soviet leadership. As one high official put it, "He may well be around even in 20 years."

the increasingly frequent direct and veiled Soviet attacks. The Romanian and Russian leaders "agreed to disagree" and the atmosphere of their one-day talk was "urbane and civilised."

Nor are the military ties very significant. Despite frequent exchanges of military delegations, Romania has only bought a dozen odd patrol and gun boats from China. Western observers have so far no reason whatsoever to assume that China is willing to provide, let alone that it has provided Romania with nuclear arms. Furthermore, neither the Romanians, nor the Yugoslavs have forgotten the late Premier Chou En-lai's warning a few years ago that "distant waters cannot extinguish fires."

Why then has the Chinese visit caused so much Russian anger, which in turn has worried the Romanians themselves? Evidently, the Soviets regard Chairman Hua's tour of the

And on Sunday Scintila displayed six photos of Mr. Ceausescu and his wife inspecting the exhibition, as against a mere two of Chairman Hua touring Constanza shipyard.

To the Romanians and to foreign observers, all this was an unmistakable sign of changed priorities. After all, President Ceausescu two years ago accompanied Mr. Brezhnev on his tour of the country. Finally, Chairman Hua obliged his hosts when at the banquet he gave on Sunday night in the huge new Chinese embassy he refrained from using the expression "hegemonism."

This phrase the Soviets (and of course not only they) regard as a barely veiled attack on Soviet foreign policy. However, the toasts proposed by President Ceausescu and Chairman Hua must still have been interpreted by the Soviets as a provocation. The effusive Soviet-led invasion of Czechoslovakia.

Last year, we produced thousands of homes to this specification.

Birds' nests are not normally considered a by-product of the Building Materials Industry. Yet they are. And in vast numbers.

Over recent years, many quarries have been returned to the land; some have become leisure lakes, with yachting and water skiing; others have become wildlife sanctuaries, home for thousands of birds.

Building Materials is one of Britain's most efficient industries. On average, the 450,000 workforce, involved in producing our 360,000 different products, each lost less than three hours last year through disputes.

By steady and progressive investment in new plants, plus careful conservation of energy, the industry has kept costs firmly under control.

And, despite a fall in demand of 23%, we have still achieved UK sales of £5,500 million.

Furthermore, last year, we also reached the £1,000 million mark for exports. This alone is a good example of private enterprise working for Britain.

Each day, more and more of our innovations and improved products are appearing in homes all over the country.

And we are not referring to homes for birds.

The Building Materials Industry
A solid base for Britain's economy.

er must be the

MICAL

OVERSEAS NEWS

Protesters storm Sydney exchange

SYDNEY, August 21. ANTI-BUDGET demonstrations in Sydney and Brisbane today erupted in violence with the worst scenes occurring at the Sydney Stock Exchange.

A crowd of about 200 chanting marchers tried to force their way into the Stock Exchange where afternoon trading was suspended for half an hour during the fracas.

Operators and staff inside the exchange barricaded the entrance with desks to prevent the crowd gaining access. Fights broke out in the street outside the exchange and police made several arrests. Four people, including one policeman, suffered injuries, mainly from broken glass.

The Stock Exchange siege occurred after an anti-budget demonstration at the Sydney Town Hall organised by the Labor Party.

About 5,000 people jammed into the hall heard the speakers, who included the Labor opposition leader, Mr. Bill Hayden. After the meeting hundreds of protesters marched down the main street of Sydney, chanting and carrying placards with slogans such as "Make the Rich Pay".

In Brisbane more than 100 people were arrested after a protest meeting attended by a crowd of about 2,000 voted to hold a street march which led to clashes with a large force of police.

Bid by Fraser to end controversy

CANBERRA, August 21. MR. MALCOLM FRASER, the Australian Prime Minister, made a belated bid to end a controversy which has shaken the Government and seriously damaged his credibility.

He categorically denied an allegation made in "The Bulletin" news magazine a week ago that he had asked his Ministers to write a letter casting doubt on evidence that the Minister had given to a Royal Commission.

In Parliament last week, Mr. Fraser and the Minister concerned, Finance Minister Mr. Eric Robinson, failed, despite persistent questioning by the Labor opposition, to give an unqualified denial of the allegations.

However, this created such adverse comment in the media and disunity within the Government that Mr. Fraser's advisers convinced him at the weekend that his "tough it out" strategy was a dangerous one.

The magazine reported that Mr. Fraser had suggested that Mr. Robinson write a letter saying that evidence he gave to the Royal Commission was unimpeachable. Mr. Robinson told the Royal Commission inquiring into allegations about a redistribution of federal electorates in Queensland—that Mr. Fraser had been told on January 17 about the role played by Senator Reginald Whithers in altering the name of a seat. Two weeks ago Mr. Robinson told the Senate that the transcript of his evidence before the Royal Commission was unimpeachable and that in his opinion a note would not add anything to it.

Largely because he waited so long to make it, Mr. Fraser's explanation will not be served by trying to win a way out of this matter at the expense of principle, Mr. Fraser said.

Temple killings in Malaysia

By Our Own Correspondent

KUALA LUMPUR, August 21. FOUR MUSLIM Malays were killed and one seriously injured by Indian guards for destroying statues of Hindu gods at a temple over the weekend.

It is not known whether the Malay group were members of any extremist religious organisation or their motives for their act but the killings followed a spate of incidents in recent months in which Hindu idols in more than 20 temples in Malaysia were desecrated.

The desecration has caused considerable anger among the Indian community in Malaysia.

The police, in a statement to-night, confirming the slaying, described the dead as "vandals" but did not disclose their racial origin or religious background.

Israeli jets raid Palestinian camps

BY ISHAN HIJAZI

ISRAELI WAR planes today struck at Palestinian camps here killing three guerrillas and wounding 14 in retaliation for yesterday's attack against an El Al jet in London in which two people were killed.

Two fighter jets made the swoop over Bourj Braneh camp near Beirut international airport while two others hit the Palestinian-populated town of Damour about eight miles south of the capital.

Palestinian ground defences and Syrian artillery opened fire on the Israeli aircraft but did not hit them. Eyewitnesses said the anti-aircraft fire was so intense that it cut the effectiveness of the air strike.

All the casualties were at Bourj Braneh, where a guerrilla commando said a Palestinian club was strafed. There were no casualties at Damour, which houses Palestinians who were driven out of Tel Zaatar camp in east Beirut by Christian militia during the civil war two years ago.

Beirutis were jured out of bed as the Israeli jets struck at daybreak and criss-crossed the skies over the capital. The raid lasted a few minutes but the aircraft remained in Lebanese airspace longer.

The terrorist attack in London was carried out by the Popular Front for the Liberation of Palestine. Foreign Operations Branch, which was founded two years ago by Dr. Wadie Haddad, who died last March. Observers said Sunday's attack showed the group, which broke away from the original PFLP, has survived its founder.

The statement issued about the incident said the group intends to continue its actions against the Israeli airforce.

El Al was the target of the first-ever attack staged by the PFLP outside Israel, when its commandos hijacked an Israeli airliner to Algiers ten years ago. It is significant that the first operations since Dr. Haddad died was against El Al as well, observers noted.

Informed sources said if the group led by Dr. Haddad is continuing operations, it may mean that the international terrorist network which he also used to head, may still be operational. The network included activists such as Illich Ramirez Sanchez, known as "Carlos", and members of the Japanese Red Army and the West German Red Army Factions.

Reuter reports from New York: Israeli Prime Minister Menachem Begin has said he hopes President Carter will serve as an "honest broker" at next month's Camp David summit.

Mr. Begin, in an interview in the current issue of Newsweek magazine, said: "My personal advice would be for the United States to fulfil the very useful function of honest broker, and bring the two parties together for face-to-face negotiations."

"I do not expect the U.S. to propose a so-called peace plan, because that would be unhelpful. A peace plan should be the result of free negotiations between the two parties concerned."

BEIRUT, August 21.



live in them. The settlements are not an obstacle to peace. They are part of our peace plan. I'll say so at Camp David," he said.

Begin considers Sinai pullback

BY L. DANIEL

TEL AVIV, August 21.

MR. MENACHEM BEGIN, Israel's Prime Minister, is thinking in terms of a further Israeli withdrawal in Sinai, Mr. Begin said today.

Mr. Begin said that the Premier calls partial but permanent arrangements towards peace.

What Mr. Begin reportedly has in mind is a withdrawal towards the east, towards the El Arish to Ras Muhammad in the south, in exchange for an end to the state of war, a partial normalisation of relations, and the continuation of negotiations on the other outstanding problems, notably the future of the West Bank and Gaza.

This would clearly involve an undertaking by President Sadat that he can "deliver" on the West Bank and Gaza or that he succeeds in bringing King Hussein into the negotiating process.

Normalisation of relations between Israel and Egypt would not include the exchange of official representatives but would permit free movement of tourists, the passage of Israeli ships through the Suez Canal, and commercial exchanges between the two countries.

While the Begin administration has been at great pains to stress that it does not intend to



Mr. Menachem Begin

conclude a further interim agreement with Egypt, but an agreement which would form part of the overall contractual peace, in fact the withdrawal to the El Arish/Ras Muhammad line would be a logical continuation of the two interim agreements

concluded by the previous Labour Government.

Mr. Begin still regards such a "partial peace" agreement as second best to an overall peace treaty, but is trying to provide for the possibility that no progress can be made on this as of now. Nobody here expects the Camp David meetings to produce a final peace treaty. It is hoped that it will give renewed life to the negotiating process.

Faced with Egyptian pressure for a declaration of principles, the Begin administration is also reportedly working on a set of guidelines for such further negotiations. This despite the fact that it has refused in the past to draw up a set of principles.

Only last Saturday Mr. Moshe Dayan, the Foreign Minister, who is close to this thinking to Premier Begin, stressed that the time had come, not for declarations but for spelling out questions and answers to specific problems, such as the continued presence of Israeli troops in the West Bank and other security arrangements which would enable Israel to make major concessions. But all this still leaves the problem of the Palestinians and of Syria unresolved.

Widespread condemnation in Iran as country mourns fire victims

TEHRAN, August 21.

THE DEATH TOLL in Iran's disastrous cinema fire set by salafists has risen to 230 and several suspects including three employees of the cinema have been held for questioning, newspapers reported today.

The newspaper Ettela'at reported that 55 more people than the 377 officially confirmed had died in the blaze on Saturday night at the Rex cinema in the South-western oil port of Abadan.

It was not known whether more bodies had been dug out of the debris, but whether badly burned victims had died in hospital, and Government officials had no confirmation of the higher fatality count.

Other newspaper reports said that as many as 10 people, including three who worked at the cinema, had been detained for interrogation but this was not officially confirmed.

Police and other Government investigators launched a country-wide search for those responsible for the fire, which the official news agency yesterday blamed on saboteurs.

Abadan's police chief revealed that several days before the fire, people carrying explosives in a nearby lane had been arrested and reports from other drillers are eagerly awaited.

The fire was made in an area that has come to symbolise the U.S. quest for a way out of its energy problems: the Baltimore Canyon, named after a deep rift in the continental shelf exactly half way between New York and Washington.

Not that the canyon is expected to become the U.S.'s North Sea or its next Alaska—rather the opposite, the oilmen are still cautious about the prospects. But the start of exploration there earlier this year coincided with

Iran, already tense after several days of anti-government rioting earlier this month and a string of attacks on cinemas, restaurants and other public places, appeared numbered by the disaster—one of the world's worst fires in a place of entertainment.

The authorities, opposition politicians, the press and a prominent member of the Shiite Islamic clergy all strongly condemned those who set the fire.

In a message from his headquarters in the holy city of Qom, Ayatollah Shariat Madhari deplored the killing of innocent people and said the clergy bore no responsibility.

He added that the clergy planned to make an investigation of their own and would announce their findings later.

His statement condemning the fire as against religion and humanity was significant because of the official explanation for the disaster.

Without explicitly saying so, the officials suggested that the Communist agitators and conservative religious fanatics blamed by the Shah for the earlier rioting were also responsible for the cinema fire.

Some reports said the sabo-

teurs had sprinkled high-octane petrol outside the locked exit doors and inside the cinema itself, and one newspaper quoted the cinema caretaker as saying that he locked the doors to keep troublemakers out.

Abadan buried its dead yesterday and went into full mourning today. Many people wore black and black flags hung from houses and shops.

Many of the bodies were burned beyond recognition and authorities had been able to identify only about 200, newspapers said.

Many victims, including women, children and whole families, were crushed in a stampede for the exits. An official report yesterday said that only 10 people had escaped. Other reports said 725 tickets had been sold for the film "Rein-deer", more than 100 people had escaped unhurt and more than 300 were injured.

Cinemas in Tehran and other centres closed in protest against the sabotage and as a precaution against further attacks. Newspapers urged people to stand up and be counted as condemning political violence. The Tehran Journal said of the cinema fire: "Like the Bader-Meinhof terror in Alaska, this is pure and simple anarchy."

Reuter

Egyptian Premier 'resigns'

CAIRO, August 21.

EGYPTIAN Premier Moustapha Salem has submitted his resignation to President Anwar Sadat but will continue in office until it is accepted, the opposition weekly newspaper Al-Ahram reported today.

There was no immediate confirmation of Al-Ahram report.

Al-Ahram, organ of the centre right Liberal Socialist Party, said Salem had told the President of his decision and that he would quit politics when his resignation had been accepted.

Salem's party last week decided to merge with President Sadat's National Democratic Party (NDP) which the President decided to form last month.

Al-Ahram said 24 members of Salem's party opposed merging with the NDP and suggested the party should remain as an opposition group. Salem became premier in 1975 and remained in office when his party won a comfortable majority in the 1976 elections.

Reuter

Mobutu to go to Angola

KINSHASA, August 21.

ZAIRE'S President Mobutu Sese Seko today accepted an invitation from President Agostinho Neto of Angola to visit the Angolan capital of Luanda at the soonest opportunity, the Zaire news agency Azap said.

The agency said the invitation was contained in a joint communiqué published here at the end of a three-day visit to Kinshasa by President Neto.

President Neto's 72-hour visit to Zaire was aimed at sealing improved relations between the two countries following last May's Shaba crisis.

More than 850 people were killed in fierce fighting when rebel forces had to have been trained in Angola, overran the mining town of Kolwezi, in Shaba province, last May.

Reuter

Brazilian output

Industrial production in Brazil rose by 8.4 per cent in the first half of this year, in comparison with the first half of 1977, Diana Smith writes from Rio de Janeiro. The June 1977-June 1978 increase was 3.5 per cent, with increases in all sectors of industry. The forecast for the third quarter increase is between 8 and 7 per cent. But, with little growth in agricultural production, GDP growth is not expected to exceed 5 per cent this year. The largest increase in production was in the chemical industry.

AMERICAN NEWS

U.S. lays down guidelines for fewer air fare curbs

BY DAVID BUCHAN

WASHINGTON, August 21.

THE CARTER Administration has released a series of formal guidelines for future civil air service agreements, so that foreign countries can be assured of "equal treatment," the U.S. Transportation Secretary, Mr. Brock Adams, said today.

Stressing that administration policy was to ensure that "the middle-American tourist and family can travel at fares they can afford," Mr. Adams said the policy statement would serve as a guide in bilateral agreements which the U.S. was now negotiating at the rate of 25 a year.

The statement calls for more price competition on fares, easier charter travel, fewer restrictions on the capacity and frequency of scheduled flights, the initiation of more non-stop international services, and the elimination of unfair and discriminatory practices faced by U.S. airlines.

Mr. Adams said that these aims, informally espoused by the administration for the past 18 months had borne fruit in an agreement with the Netherlands in March, in an agreement with Israel last week, and would be followed in negotiations with West Germany in the autumn.

The secretary said he hoped to meet British ministers in London early next month. He gave no indication that the administration was greatly unhappy with the Bermuda II agreement which it signed with the UK last year, although that agreement runs counter in many ways to the new guidelines.

It is, for instance, considerably more restrictive than the U.S. Israeli agreement on capacity and tariffs. The agreement with Israel allows airlines to compete unrestrictedly on fares, which can only be disallowed by the agreement of both countries.

British officials here regard it as highly unlikely that, after the considerable difficulties in reaching the Bermuda II agreement, the U.S. would want to renegotiate it as long as it is proved to be working.

U.S. officials note with satisfaction that, over the past year, the standard fare for a flight from New York to London has decreased by 44 per cent, from \$45 per cent, and from \$45 per cent to \$29 per cent. Also, there has been a great expansion of non-stop international services.

But they still rail at what they see as unfair practices at some foreign airports, where, for instance, U.S. airlines have to leave the business of loading and unloading their passengers to local monopolies. This, says the administration, restricts the ability of U.S. airlines to compete for business.

Substitute papers appear in NY

BY JOHN WYLES

NEW YORK, August 21.

THREE DAILY newspapers were on sale in New York City this morning, trying to fill the gap caused by the 12-day shutdown of the New York Times, the Daily News and the New York Post.

All three substitute newspapers plan to publish every day except Sunday and are staffed by journalists, photographers and classified advertising salespeople from the struck newspapers. Although they are not as impressively professional tabloids, appearing in issues of between 400,000 and 500,000 copies a day.

First off the mark was the City News, which started publication on Thursday and had much roomed into a 104-page newspaper by Sunday.

The Managing Editor, Mr. Bill Federici, an assistant editor at the Daily News, said that he was asked to start the paper by Hagedorn Communications, a New York publishing company, and that the response from local advertisers had been extraordinarily strong.

Hagedorn had sponsored a newspaper during the big stoppage of New York newspapers in 1963-64, when the daily newspapers did not appear for 114 days. According to Mr. Federici, the 26-strong editorial team at City News is being paid \$500 a week, and the publishers have indicated that they might pay a bonus if the newspaper proves profitable.

Appearing today for the first time is the Daily Metro, the initial capital of which has been increased by an agreement with the New York Post. Mr. Rupert Murdoch, the owner of the Post, who is president of the New York Publishers' Association, has paid in advance to sell 150,000 copies of the Metro through the Post's distribution system in Queens and Long Island. Mr. Murdoch is said to be anxious to keep the Post's subscribers reading a newspaper. His efforts this year to reduce the number of editorial employees at the Post mean that many of his actions are regarded with suspicion.

But speculation that the Metro is a surrogate Post, or even a

potential substitute for that loss-making afternoon paper, have been denied.

Nevertheless, the agreement with Mr. Murdoch and a couple of New York City distributors has enabled the Metro to afford the Associated Press news service, the fee for which is about \$10,000 a week, payable two weeks in advance. This has helped broaden the newspaper's coverage, in contrast to its two rivals whose stories are rooted in the city.

The third newspaper, the New York Daily Press, which also appeared today for the first time, contained less advertising than the other two and relied much more heavily on pictures.

The longevity of the three publications depends entirely on the success of the strike by the printers at the three established dailies.

The publishers are seeking a new, three-year contract on the basis of a reduction in permanent staff, which the Pressmen's Union has so far refused to countenance.

Alaskan oil pipeline progress

BY DAVID LASCELLES

NEW YORK, August 21.

SOHIO, the big Alaskan oil producer 51 per cent owned by British Petroleum, has taken an important step towards the building of a pipeline to carry Alaskan oil from California to Texas and the eastern US—but at considerable cost. The absence of a proper terminal and pipeline in California is contributing to the oil glut on the west coast as Alaskan supplies arrive with nowhere further to go.

Sohio announced on Friday that it had agreed to install \$75m worth of anti-pollution equipment at the California Edison plant at Long Beach, the site of its proposed terminal.

This is being done under an unusual arrangement, the first of its kind, whereby companies wishing to build production facilities in the area are required not only to see to their own pollution, but also to clean up somebody else's, thus to leave the area cleaner than before.

In this case, the arrangement involves the largest pollutant in Long Beach, the local electricity works, California Edison.

Sohio is not happy with this arrangement, which not only involves a far bigger outlay than is feasible, but by its calculations, the company is also

committed to removing nine pounds of pollutants from the site for every one pound it emits from its own operations. However, the company greatly needs the terminal as an extension of its Alaskan operations, which are now in full swing.

The arrangement with California Edison has the support of Governor Jerry Brown of California, so Sohio hopes that it will result in the early issue of a permit for its terminal from the local environmental control agencies. But the arrangement is still conditional on Sohio receiving a favourable ruling from the Internal Revenue Service on taxation aspects.

enact a Bill to authorise U.S. companies to begin ocean floor mining for manganese, copper, nickel and cobalt. The Senate Commerce Committee has already approved a plan to issue permits. This omits any provision for insuring companies against the effects of any international treaty.

Mr. Elliot Richardson, the chief U.S. delegate to the conference, is reported to have persuaded the State Department, which earlier opposed such legislation, that it was good politics to impress upon other delegations that the U.S. will mine the ocean floor, whether or not there is a treaty. Many governments of developed countries are indignant over the move.

The new session is expected to be devoted to private negotiations, concentrated mainly in about seven different bargaining groups.

Sea law talks restart

BY OUR OWN CORRESPONDENT

UNITED NATIONS, August 21.

THE UNITED Nations Conference on the Law of the Sea began a further four-week session today, with delegates from more than 145 states expressing high hopes that the progress achieved during meetings at Geneva in the spring would be maintained.

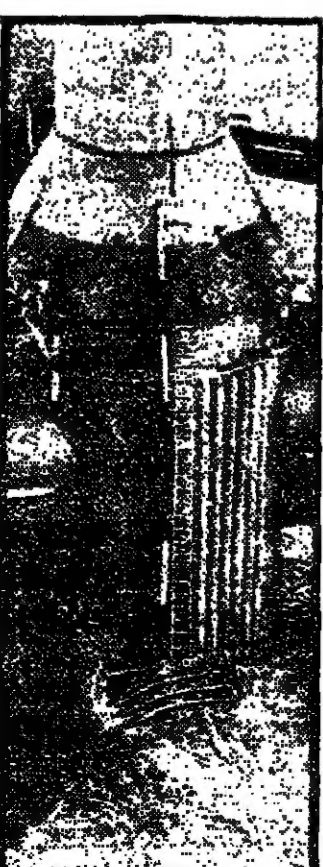
If so, they said, two more sessions were likely to be held next year, aiming at the conclusion of a treaty and formal adoption of it at Caracas in 1980. The first session of the conference was held there in 1973.

Proposed regulations for exploration and exploitation of the sea bed in the ocean depths, and provision for all countries to have access to this wealth through an internationally agreed system, are among the priorities to be discussed in the coming weeks.

There is growing expectation that the U.S. Congress may

David Lascelles, in New York, reviews progress in the search for energy off the U.S. East Coast

Flicker of hope on an obscure horizon



AS THE SUN set along the New Jersey coast a couple of weeks ago, a sharp-eyed beach stroller might just have glimpsed an unusual flicker against the dark horizon. If he did, he was sharing in a big moment: the first significant discovery of energy along the U.S. East Coast.

For that was when Texaco triumphantly shared the only successful well so far drilled in the continental shelf this side of the Atlantic. As it happened, the well contained gas, not oil, but this was only a detail in a development that could have a broad impact on the U.S. energy picture.

If the find proves commercial, it will add to domestic gas supplies at a time of growing shortage and provide the closest source of natural energy yet to the large consuming areas of the U.S. East Coast. But it is still far from clear what riches, if any, lie beneath the seabed, and reports from other drillers are eagerly awaited.

The find was made in an area that has come to symbolise the U.S. quest for a way out of its energy problems: the Baltimore Canyon, named after a deep rift in the continental shelf exactly half way between New York and Washington.

Not that the canyon is expected to become the U.S.'s North Sea or its next Alaska—rather the opposite, the oilmen are still cautious about the prospects. But the start of exploration there earlier this year coincided with

growing public awareness that something needs to be done about oil imports.

Furthermore, the appearance of the oil companies' drilling rigs only a few miles off the most populous coastline in the U.S. brought home to people in a way that Americans in distant Texas or Alaska never could what oil exploration is all about.

Ironically, the venture almost died an early death. Less than a year after it was first auctioned in 1976, when most major oil companies and several smaller ones bid a total of \$1.13bn. But work was halted by legal challenges on environmental grounds which took nearly two years to sort out. The way was only cleared earlier this year, and drilling began in late spring.

The first news was disappointing. In early June, Continental Oil said it had drilled a dry well, and a few weeks later Shell came up with similar news. Shortly afterwards, the mass circulation New York Daily News splashed a report across its front page that Texaco had found oil in the Atlantic. The company immediately put out a denial, but in doing so revealed that its well had shown traces of hydrocarbons.

When Texaco finally announced on August 14 that it had found gas, the news was a bit of an anti-climax. Wall Street reacted cautiously, and the Dow Jones closed the day with the Dow Jones Index two points down.

on the foreign exchange markets. The rise is about 10 miles south-west of Texas, close to the edge of the shelf. Exxon recently announced that it was going to drill deeper than originally planned, to 17,000 ft, but did not say why.

Exxon will probably announce its results next month. After that, there should be news from the so-called Baltimore Dome, and Shell Oil, which is on the Wilmington Dome. Other companies are also drilling on the structures' flank. If all these drillers report on schedule, there should be enough information by the end of the year to give a broad picture of the region's prospects.

Meanwhile though, none of the drillers is commenting on its activities, so speculation both ignorant and informed is rife. Texaco's find, however, has added a discernible tinge of optimism which can be summed up by a remark from Mr. Richard Palmer, Texaco's senior vice-president for exploration and production. "Our well is the first indication that natural gas can flow from a reservoir off the eastern seaboard of the U.S.," he said. "That in itself is indicative of the fact that this is a province that does house and could produce hydrocarbons."

This view is shared by Mr. Charles Maxwell, a director of the Wall Street research and brokerage house, Cyrus J. Lawrence, and a specialist in oil

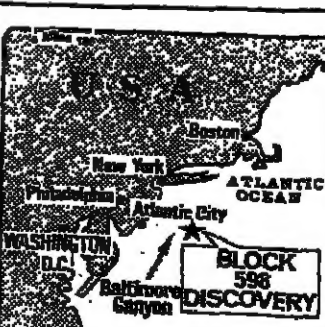
and gas. "The odds on a find on the domes have always been about one out of ten," he said. "But I have been using a one out of five, though the odds lengthened with the two dry wells."

Part of Mr. Maxwell's optimism is based on the possibility that the area will turn out to have several fields, stacked vertically. In this case, exploration and production costs would be reduced since one well would serve more than one reservoir.

The most detailed estimate of the Baltimore Canyon's reserves so far comes from the U.S. Geological Survey which puts them at 800m barrels of oil and 13,000m cubic feet of gas. In national terms this is not very much, equivalent to only 45 days of oil consumption and eight months of gas.

However, the fact that the first discovery was gas, could be important. Unlike oil, which in glut, the U.S. has a gas shortage which can only be relieved by higher imports or further discoveries.

For technical and environmental reasons, gas is also easier to pipe ashore and distribute than oil, so fields have a greater chance of being offshore. Offshore technology is now so advanced that gas from the Baltimore Canyon could be landed anywhere from North Carolina to Maine, a sweep of nearly 1,000 miles which includes Washing-



ton, Baltimore, Philadelphia, New York City, Boston and Portland. The major production centre serving these cities is Texas, nearly 2,000 miles from New York City.

The current drilling programme is only the first. More blocks are to be auctioned early next year, and bidding is bound to be influenced by what happens between now and then. After that, a new drilling wave at St. George's Bank north of New York City will be auctioned, although that too is being delayed by court action.

For all these reasons—the proximity of the gas shortage and the desire to tackle the country's energy problems—the Baltimore Canyon has come to assume a far greater importance in people's minds than the most optimistic forecasts of its oil and gas yields suggest it will ever have. Even if it does turn out to be "produce it, many years will pass before it makes a noticeable contribution. Texaco estimates it will take seven to ten years to develop a field there (other companies say less: up to two years), by which time, who knows what the energy picture will be.

WORLD TRADE NEWS

Japan may purchase Canadian reactors

BY DAVID FISHLOCK, SCIENCE EDITOR

CANADIAN Government nuclear reactor at Tokai Maru.

Prospective purchaser of Canada is the quasi-government Electric Power Development Company, which announced in mid-June that it wanted to buy two 600 MW CANDU reactors.

The utility has since commissioned Atomic Energy of Canada to carry out a \$1.5m engineering study of the scheme, as a precursor to a project expected to cost as much as \$1.5bn. The study will be completed by next spring.

The site proposed for the CANDU units is on Shimokita Peninsula at the northern end of Honshu, Japan's central island. Japanese Government approval would be required for the project.

Atomic Energy of Canada has adopted a low profile as an international reactor vendor since 1976, when large unexplained payments came to light, apparently made in the course of negotiating export contracts for CANDU with Korea and Argentina. Subsequently, in 1977, the Canadian Government sacked Dr. John Foster, its chairman, after his company had disclosed a loss of \$180m.

UK maintains position on net invisibles earnings

BY DAVID FREUD

THE UK remained the world's second largest earner of net invisibles in 1976, increasing her surplus from \$4.2bn in the previous year to \$6.4bn, according to the Committee of Invisible Exports.

The U.S. retained first place with a surplus of \$18.2bn in 1976, up from \$13.6bn while Switzerland was again third, with \$3.7bn.

These figures were prepared for the committee by the Economic Advisory Group, an independent economic research body, and appear in the 1976 edition of World Invisible Trade, covering the invisible trading of the 109 members of the International Monetary Fund.

No other country had a surplus of more than \$2bn, though there were six, Spain, the Netherlands, Italy, Singapore, France and Belgium-Luxembourg, with between \$1bn and \$2bn.

West Germany took over second position in 1976 in terms of total invisibles receipts with \$33.8bn, 9.2 per cent of world total, compared with the UK's \$23.6bn. However, West Germany's deficit on the invisible account was one of the largest in the world at \$7bn.

Total invisibles receipts increased from \$209bn in 1974 to \$255bn in 1976, up 7.7 per cent, and \$245bn in 1976, up 8.9 per cent.

This was much less than the increase of 30.8 per cent recorded for 1974. The committee states that invisible trade was severely hit by the world recession in 1975, though less so than visible trade and its subsequent recovery has been slow.

There was rapid growth in receipts from "other services", which went up by 46 per cent to \$83.9bn between 1974 and 1976. This was due to the recovery in the world insurance market and a rapid rise in earnings from building and engineering contractors, consulting engineers and architects.

In the UK invisibles payments rose faster than receipts between 1974 and 1976, but fell by more than 1 per cent between 1975 and 1976, during which time receipts increased by 7 per cent.

The most buoyant sector of UK invisibles receipts between 1975 and 1976 was travel, which was 16.9 per cent up. As travel payments fell by 7.3 per cent over the same period, this was also the sector where the balance of receipts and payments changed most.

The travel surplus for 1976 was \$1.1bn, approximately twice the 1975 total and three times that for 1974, equivalent to about a sixth of the UK total surplus on invisibles.

Trade gap widens in Israel

By L. Daniel

TEL AVIV, August 21.

ISRAEL'S average monthly trade deficit increased by 7 per cent in the first five months of this year compared with the parallel period of 1977, to reach \$725m. Exports grew by 33 per cent to a net \$1.58bn, but since imports are larger, the 23 per cent rise in purchases abroad to \$2.1bn led to a widening of the trade gap.

Detailed figures for the first four months of the year just released by the Central Bureau of Statistics, show that imports of raw materials and intermediate products, including uncut diamonds, rose by 36 per cent over January-April 1977, and imports of capital goods by 33 per cent. Those of consumer items increased by only 7 per cent.

While exports were 33 per cent up on January-May 1977, 40 per cent of the rise came from bigger exports of polished diamonds (up from \$403m to \$560m).

Other industrial exports rose by 35 per cent to \$740m and agricultural exports rose by 23 per cent, with the share of produce other than citrus reaching 60 per cent of the total against 50 per cent a year earlier.

Romanian-built cars will be on sale in Israel for the first time in about four months. The cars will be between \$1,100 and \$1,300 cheaper than similar imported models now sold here. (Cars in Israel cost exactly three times the retail price abroad.)

The Romanian vehicles are manufactured under licence by French and German firms which control their quality, according to the Bank of Israel which will act as importers for the Romanian models.

They will include the 1,300 cc DeSoto-De corresponding to the Renault 12; the Merkur-TV pickup, corresponding to a tender built by Mercedes; and the Dellman 111 bus, built under supervision by MAN. The engine of this bus is made in Hungary, while the passenger car and pickup have Romanian-built engines and gear-boxes.

Indian gold scheme may boost exports

BY K. K. SHARMA

NEW DELHI, August 21.

THE INDIAN Government's ambitious scheme to make substantial value-added gains by prefer to keep savings in the form of jewellery. Although smuggling is claimed to have been reduced as a result, gold prices in India remain high.

Last week, the price of gold in the Bombay bullion market was around Rs 735 for 10 grammes, or roughly \$290 an ounce. This is almost 33 per cent higher than world prices and hence makes smuggling of gold into India a lucrative business.

The scheme operated by the Commerce Ministry for import of gold to replenish stocks of jewellers exporting ornaments is not connected with the Reserve Bank's auction and no monetary gold is involved.

The Ministry is ensuring that imported gold is not sold in the domestic market and the State Bank has enforced safeguards. For instance, exporters will be entitled to imported gold only if they air freight the jewellery through Customs houses in Delhi, Bombay, Calcutta and Madras.

For the present, registered exporters of gems and jewellery, co-operative societies of certified goldsmiths and some other exporters can claim the imported gold which the Government will buy from international bullion markets and sell to the exporters at a slightly subsidised price.

ASEAN plan extended

BY WONG SULONG

KUALA LUMPUR, August 21.

MEMBER COUNTRIES of the Association of South East Asian Nations (ASEAN) will launch the second phase of their preferential trading arrangement next month by extending the scope of their scheme to more than 800 items.

The preferential trading arrangement was agreed at the ASEAN summit meeting in Kuala Lumpur last August, and it covered only 71 items when it was first implemented at the start of this year.

Under the second phase of the scheme, another 775 items will be added. The annual value of trade among the ASEAN countries on these items is estimated to be over \$165m.

Under the scheme, only goods originating from the five ASEAN members—Indonesia, Malaysia, Singapore, Thailand, and the Philippines—are eligible for preferential tariffs within member countries.

Goods must also have less than 50 per cent foreign content to qualify for preferential tariffs. In the case of Indonesia, the foreign content must be less than 40 per cent, a concession given to protect Indonesia's infant industries.

AP-DJ adds: Malaysia's trade with other ASEAN nations rose substantially by S\$9.1m to S\$8.782m in the first six months of this year, exports totalled S\$8.5m, 483.5m while imports were worth S\$8.303m. Singapore remained Malaysia's leading trading partner, importing S\$8.445m worth of goods against exports worth S\$1.588m in the same period and over the six months. Thailand emerged as Malaysia's biggest supplier of rice and sugar.

Canadian Minister of Industry, Trade and Commerce Mr. Jack H. Horner and South Korean Minister of Commerce and Industry Mr. Choi Gak-Kyu, following an annual trade ministers' meeting, disclosed that construction of a CANDU nuclear power plant unit at Wolsong, south of Seoul, is progressing rapidly and they expressed a desire to strengthen nuclear energy co-operation.

Their communiqué said their discussions included mention of aircraft, telecommunications equipment, steel mill machinery, petrochemical plants, mineral exploration and mining equipment and other Canadian manufactured goods that could be marketed in South Korea.

The Korean side expressed concern over Canadian import restraints affecting major Korean export items, including textiles, footwear and handbags, and requested an early termination of these restrictive measures.

China pyjamas project

By Robert Wood

TOKYO, August 21.

TNA HAS agreed with Japan's man to begin joint production pyjamas under a contract used on contracts used for textile joint ventures in Taiwan, Hong Kong, and South Korea.

The main attraction of the joint venture is the huge Japanese market. A Japanese official said, "Japan will supply equipment, designs, technical expertise, some raw materials such as synthetic fabrics for a factory in Shanghai, and will import all the finished goods."

On a trial basis, the joint venture will produce 300,000 pairs of pyjamas. The Japanese official said, "The Japanese labour is very good at and work, surpassing the other of South East Asian countries like the Philippines and Indonesia, where wages are so lower than those of Taiwan, Hong Kong, and South Korea. He predicted China would soon become one of the world's major textile exporters."

One problem in dealing with China, the official added, is that Chinese are reluctant to offer their second-class goods at an appropriate discount below the prices of first class goods. Another is that delivery times are often slow.

Japan's contract is with

China's National Textile Import and Export Corporation. TNA itself is a large-scale textile trader operating in both foreign and domestic Japanese markets.

Meanwhile AP-DJ reports that Sumitomo Metal Industries has sent a 14-member team of engineers to China for negotiations on a Chinese plan to construct a seamless steel pipe mill at the Pao Shan iron works near Shanghai.

● Matsushita Electric's subsidiary, National Panasonic de Espana will produce audio systems in Barcelona to be marketed in Spain and the rest of Europe.

ASEA induction furnaces deals

BY JOHN WALKER

STOCKHOLM, August 21.

ASEA, the Swedish heavy electrical engineering group, has received two orders, worth an undisclosed sum, for large induction furnaces for use in the iron and steel industry. The orders are from the Swedish Fagersta Steel Corporation. ASEA claims that these orders are a major breakthrough in iron and steel melting techniques.

The common arguments against the use of induction furnaces has been their relatively modest production capacity compared with gas furnaces and their limited refining capacities. But the induction furnaces do offer a solution to environmental problems such as noise, dust and interference with power lines. ASEA claims that these factors together with favourable process economics were responsible for induction furnaces being chosen by Fagersta and BSC.

In terms of size and 35 tonnes/hour melting capacity, the furnaces will be among the largest main-frequency induction furnaces in the world. They will be used for remelting steel scrap for steel production. The two furnaces for the BSC are two-channel induction iron melting furnaces and have a total capacity of 20 tonnes/hour.

● The state-owned Karlskrona shipyard in southern Sweden has won orders for ships valued at \$12.19m (\$48m), from the government of Trinidad and Tobago. The order is for two 5,000 tonne patrol boats and includes equipment for fighting oil pollution at sea.

Another order amounting to \$100m is for two ro-ro ships with delivery expected to be completed in 1980.

AP-DJ adds from Copenhagen: Jutland Telephone Aarhus in Denmark has placed an order with ITT's Danish subsidiary Standard Electric KIRK A/S for a fully electronic digital telephone exchange for the City of Horsens. This is the second order which Jutland Telephone has placed with ITT for digital exchanges within the past 12 months.

The latest exchange is a combined local tandem exchange equipped with 5,000 local and 5,000 trunk lines. Both exchanges will be put into operation during the first quarter of 1982.

SELLING TO CHINA

A game of patience with high stakes

BY JOHN LLOYD

MANY of the 13 industrialists who accompanied Mr. Edmund Dell, the Trade Secretary, on his recent visit to China were experienced in the ways of selling to the People's Republic of China. Mr. Graham Strachan, managing director of John Brown Engineering in Clydebank, told Mr. Dell a cautionary tale.

In the early 1970s, John Brown had negotiated with the Chinese for the sale of gas turbines, used in the generation of electricity. The negotiations were protracted; the John Brown man pressed to know how many turbines were required. "Not less than one, was the invariable answer. In the end, John Brown sold no less than nine, which means that the company has taken around 60 per cent of the Chinese gas turbine market, currently standing at 15."

Mr. Dell, commenting on the

trip on his return, used Mr. Strachan's anecdote as an exemplar to caution patience and persistence in trade with the Chinese. Most of the industrialists who returned with him have drawn a similar lesson.

Persistence must first be deployed to discover who best to talk to; the officials who are in charge of projects, and thus can inform traders on their likely requirements, are not well signposted. Mr. Robert Aldred, chairman of Taylor Woodrow, a first-time visitor to China, commented that "a protocol is much more evident," and that three ministries would routinely be involved in specifying and approving one purchase.

Mr. Aldred persevered, and was able to discover first, that there were projects in which Taylor Woodrow might become involved, and second, that the UK construction industry could benefit if it tried. "There are opportunities for the construction industry there—but they have to be excavated. They aren't lying around."

Mr. Arthur Knight, chairman of Courtaulds, is an old China hand. His company now exports \$10m worth of paint and fibres to China annually, and some years ago, was responsible for the construction of a fibre plant. He was impressed with the completeness of the conversion to an open trading policy, and full of admiration for the ambitious targets set by the current Eight-Year Plan.

"Yet the country is so vast and underdeveloped that you can't help thinking it will take a long time to realise the goals they have set themselves. And of course, every foreign trade deal must go through a number of processes."

"But the Japanese and the Germans have the same

problems, and they are working hard at them. We must do the same if we are to succeed."

While the treaty of peace and friendship signed between China and Japan earlier this month, coupled with the proximity of the two countries and the efficiency of Japanese industry, makes the Japanese clearly most favoured trading partner, Graham Strachan of John Brown believes that other factors may work in the UK's favour.

"The main competition for us obviously comes from the Far East, from manufacturers in Japan and South Korea. But the Chinese don't want to put all their eggs in one basket; they can't afford to if they want to really expand their trade."

There are few doubts that the Chinese know what they want: "They are competent and intelligent and they understand what they are asking for," said Mr. David Chapman of PE Consultants. "They had done a lot of study before we came, and they knew exactly what the role of consultant was, and had ideas about how they could use us."

Mr. Chapman reckons it will be worthwhile for British consultants to mount their own demonstration to the Chinese later this year.

Most of the deals which have been announced in the past weeks—either concluded (the Davy 540m petrochemical plants) or under final negotiation (mining equipment worth around £100m from Anderson Dowty and Gullick Dobson) or tendered for (a fertiliser plant worth \$75m by Northern Engineering Industries and Humphreys and Glasgow)—were initiated months before Mr. Dell's trip. Concrete results have still to show themselves. What do the industrialists think of its effect?

"The trip could not have been more timely," said Sir Derek Ezra, chairman of the National Coal Board. "It was quite clear that the Chinese were wholly committed to the new liberal policy, and that they aimed to be in the first rank of industrial nations by the end of the century. But they do need to import a good deal of knowledge and technology, and that's where we can help them. The fact that UK Government and industry went out together showed them that we were serious, too."

The Chinese had been cool towards British products because inflation had often made their prices relatively unattractive: much of Mr. Dell's private conversations with his opposite number, Mr. Li Chi'ang, Minister of Foreign Trade, were directed at assuring him that the inflation rate was now well down, and that British industry was fully competitive.

For his part, Li made it clear that he was serious about negotiations, and that the British manufacturers would not waste their time in the talks arranged for them with Chinese officials. No-one cared to put a precise figure on the size of the market for British goods, either overall or by sector. "Well over £1bn," agreed two of the industrialists on the trip. Yet that was qualified by the consideration that if Davy and British Steel win a contract for the construction of one of the 10 steel plants which figure in the Plan, that one project would be worth over £1bn. Other manufacturers contented themselves with describing it as "vast," "massive" and "incalculable."

The manufacturers are optimistic, but possibly realistic. Chinese two-way trade nearly doubled between 1973 and 1975 (admittedly from a low base), it is thought that it will double again by 1980, and triple by 1983. In a relatively depressed world, China is indeed a start in the east.

Steel for Russia

Farmer Plant Engineering, part of the S. W. Farmer Group of structural engineering companies, has been awarded a contract valued at approximately \$750,000 to fabricate 1,100 tonnes of structural steel and associated access platforms for four identical waste heat recovery systems. The material will ultimately be incorporated in two Methanol Plants in Russia.

This is additional to the contract, valued at £1.5m and awarded to the Farmer Group earlier this year for the supply of 2,000 tonnes of structural steel for the construction of the two methanol plants situated at Tomsk and Gubaha.

Moscow signs with Sim-Chem

Sim-Chem, a Cheshire-based iron engineering company, has signed a contract in Moscow with echmashimport for the upgrade of the product from a 10,000 tonnes a year titanium dioxide plant.

The contract will utilise the latest technology from American yanamid's sulphate plant in Georgia, U.S. to provide the Soviets with a better grade of pigment which is used as a thickener in paints, plastics and dyes.



Midland Bank Limited

U.S. \$50,000 Floating Rate Capital Notes 1983

For the six months 21st August, 1978 to 21st February, 1979 the Notes will carry an interest rate of 9½ per cent per annum.

Listed on The London Stock Exchange.

Principal Paying Agent:

European-American Bank & Trust Company, 10 Hanover Square, New York, NY 10005, USA

Agent Bank: Morgan Guaranty Trust Company of New York, London

Key position

At the intersection of Europe's highways, at the major junction of Europe's rail network, with direct waterway connection to the United Kingdom, Belgium, France, The Netherlands and Switzerland, and with an international "Drive-in Airport" only a fifteen-minute run from the town.

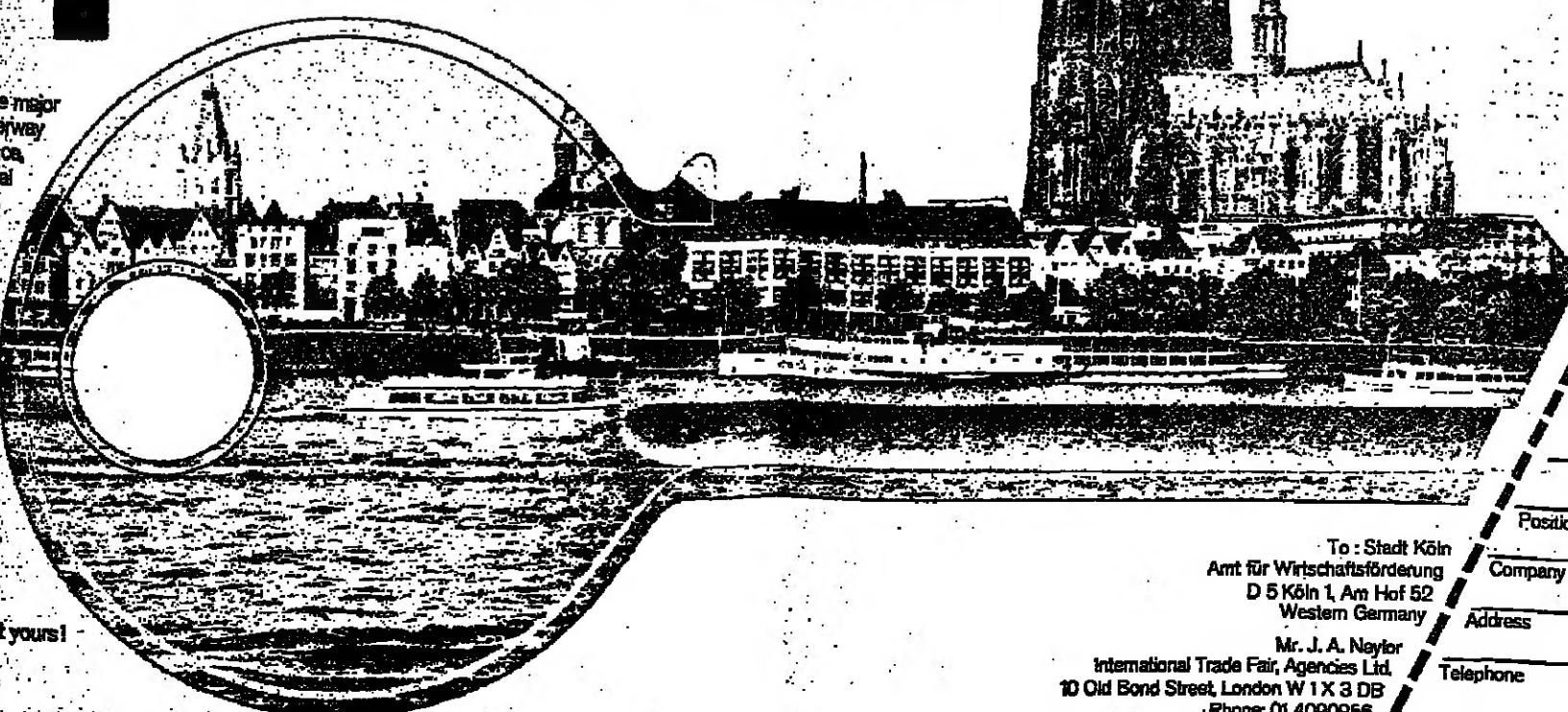
This geographical key position in Europe is offered by Cologne.

Industrial, banking and insurance centre. Europe's venue for international trade fairs and exhibitions. A market of four million people. With a trained manpower for trade and industry.

Cologne offers developed industrial sites with immediate access to transport facilities and in sizes to suit everybody.

Cologne

Centre of Trade for 2000 years — make it yours!



Please send me further information about Cologne.

Name

Position

Company

Address

Telephone

To: Stadt Köln

Amt für Wirtschaftsförderung

D 5 Köln 1, Am Hof 52

Western Germany

Mr. J. A. Naylor

International Trade Fair, Agencies Ltd, 10 Old Bond Street, London W1X 2 DB

Phone: 01 4090856

HOME NEWS

Property sales cut British Land debt

By John Brennan, Property Correspondent

BRITISH LAND, the £210m property group, has sold the 345,000 sq ft Liverpool Exchange Buildings to the Coal Board's pension fund for £26m.

The sale forms part of British Land's £22m property sales in the year to the end of March 1978. In the group's annual accounts, published yesterday, Mr. John Ribbitt, the chairman, reported that a further £14m has been raised from property sales since the year-end.

These sales, after the group's £50m refinancing package last autumn, cut net debts to £125m against shareholders' funds shown in the accounts at £49m, but rising to £83m on the basis of a most recent revaluation of group properties.

The largest single item in this post year-end revaluation is the rise from last year's £51m to £80m in the open market value of the 345,000 sq ft, freehold City of London office complex acquired by British Land for £27m in 1970.

On the estimated revaluation undistributed assets per share rise to 97p, the earnings added to 46p on the new year.

Mr. Ribbitt said that the revaluations had not all been incorporated into the accounts this year because "we are taking a very conservative stand."

On the same point, he decided against a firm promise of restoration of a dividend this year in spite of the £3m improvement in the revenue account to a £1.1m pre-tax loss.

Repairs start on F-111s

By Lynton McLain

THE first of 19 United States Air Force fighter bombers to be maintained in Britain arrived yesterday and British Aerospace began work on it almost immediately.

The Elm contract—the first of its type won by British Aerospace—includes replacement of the pyrotechnic ejection system and other maintenance tasks.

British Aerospace has shed more than 3,700 of its aircraft manufacturing workforce in the last three years and concerns about long-term prospects forced the company to seek alternative work.

The maintenance contract is likely to keep 100 of the aircraft workers employed at the Filton works, near Bristol, until November.

The last of the eight British-built Concorde is now being completed at Filton for its maiden flight this year. Work on BAC 1-11 civil airliners and on the centre fuselage of the new BAe 146 feeder airliner is likely to provide work for most of the aircraft group's remaining 4,500 workforce.

British Aerospace said yesterday that the award of the maintenance contract came after an exhaustive USAF survey of Filton and its workforce.

Filton employees have been working at the USAF base at Lakenheath, Suffolk, changing the windcreens of a further 45 F-111 aircraft.

British Aerospace said that it expected further work to follow the initial contract. This could involve conversion of nine British VC-10 aircraft into aerial refuelling tankers.

Blaze threatens cable terminal

DOZENS of firemen yesterday put out a blaze at the transatlantic cable terminal at Oban, west of Scotland—a key linking point for telephone services between Britain and North America.

The Post Office said that telephone services were not affected.

APPOINTMENTS

Gold Fields group chief executive

Mr. Randolph L. J. Agnew is to become a deputy chairman and the group chief executive of CONSOLIDATED GOLD FIELDS from September 6. As previously announced, Mr. Gerald Mortimer is retiring from the position of group chief executive but he will remain on the Board. Mr. Agnew has held various appointments in the group, both at home and overseas. For the major part of the last ten years he has been chiefly engaged in the development of Gold Fields' interests in the construction materials industry in the UK and North America, through Amey Roadstone Corporation. Mr. Agnew was chief executive of ARC from October, 1974 until July this year, becoming chairman of that concern in 1976. He was appointed an executive director of Consolidated Gold Fields in September, 1973 and deputy group chief executive at the beginning of June last year.

Mr. Frederick P. W. Maynard has now retired from the board of the LAND SECURITIES INVESTMENT TRUST and from all subsidiaries. Mr. P. J. Hunt has taken over as chairman of Ravenscroft Properties and Ravenscroft Industrial Estates in the place of Mr. Maynard.

Motor trade sales near record level

BY MICHAEL CASSELL

THE BRIGHTER sales picture established in recent months by the motor trades was underlined by Government figures published yesterday.

Statistics from the Department of Industry show that not only have car sales continued to edge up towards record levels but business for associated items, such as tyres, spares, and accessories has also been rising.

According to the Department, the total turnover of the motor sector and its associated trades was 26 per cent higher in the second quarter of this year compared with the same period last year.

New vehicle sales rose by 40 per cent between April and June, following the 45 per cent increase in the first quarter.

while used vehicle sales increased by 32 per cent over the second quarter of last year. In the first three months of this year, used vehicle sales had risen by 23 per cent over the same period last year.

The Department also calculates that the sale of associated items such as petrol, oil, servicing and repairs rose by 14 per cent during the second quarter, a repeat of the first quarter increase.

The turnover statistics are, however, at current prices and movements therefore include the effect of price changes made during the periods under review. They also reflect transactions made

Price changes

The turnover statistics are, however, at current prices and movements therefore include the effect of price changes made during the periods under review. They also reflect transactions made

between dealers in addition to final sales.

The figures do nevertheless tend to confirm that the motor sector as a whole is heading for its best year since 1973 and might possibly be on the way to a record.

This month, car registrations could challenge the record August 1973 total of 234,000, although the latest indications suggest that over 50 per cent of sales could involve foreign vehicles.

Sales estimates for the private sector this year now range between 1.5m and 1.7m vehicles against 1.65m in 1973. The picture is also bright on the commercial vehicle side, with sales in the first seven months of this year running more than 14 per cent up on a year earlier.

Electrical contractors press for State-backed registration

BY PAUL TAYLOR

A GOVERNMENT-BACKED register of trained electrical contractors is being sought by the Electrical Contractors Association.

The association, which has been lobbying support for the register, believes it would rid the industry of "cowboys" and protect the public.

In support of its case the association points out that on 1975 figures alone there were 4,500 electrical contractors listed in the Yellow Pages who were not members of either the association or the National Inspection Council for Electrical Installation Contracting.

Although no precise figures are available the association believes some households are having work done by contractors who have had no training and this could represent a safety threat.

It hopes an enabling Act will be passed this autumn allowing Government Ministers to set up a register. Mr. Bruce Gray, the association's director, emphasised yesterday that the register would not exclude existing contractors, nor hamper the work of the industry.

The association is also considering extending its contract completion guarantee scheme to cover domestic contracts of up to about £1,000. The existing scheme for larger contracts ensures that work undertaken by a member will be completed at contract price even if the member goes bankrupt.

The trade's joint industry board is understood to be considering a redundancy top-up scheme to provide greater security for the 34,000 skilled men employed by the association's 2,500 members and to encourage recruitment.

The board, composed of association and union members, is expected to announce details shortly. Under the proposals an employee made redundant would be entitled to a payment of up to £1,000, based on length of service. If after 12 weeks, he remained unemployed, the scheme would be in addition to normal redundancy payments and would be financed from the employer contribution scheme.

The trade's joint industry board is understood to be considering a redundancy top-up scheme to provide greater security for the 34,000 skilled men employed by the association's 2,500 members and to encourage recruitment.

The board, composed of association and union members, is expected to announce details shortly. Under the proposals an employee made redundant would be entitled to a payment of up to £1,000, based on length of service. If after 12 weeks, he remained unemployed, the scheme would be in addition to normal redundancy payments and would be financed from the employer contribution scheme.

The scheme would be in addition to normal redundancy payments and would be financed from the employer contribution scheme.

Festival seeks business backers

BY RAY PERMAN, SCOTTISH CORRESPONDENT

BUSINESS sponsorship is likely to become an increasingly important source of funds for the Edinburgh Festival, which is seeking support and ticket revenue, Mr. John Drummond, director-designate of the Edinburgh Festival, said yesterday.

He saw little prospect of the Arts Council of the City of Edinburgh District Council being able to increase substantially their support for the festival budget in coming years.

British Petroleum, which gave £35,000 towards last year's production of Carmen, is again the festival's biggest sponsor. It has contributed £10,000 for the Royal Shakespeare Company's production of Twelfth Night and Cheeky's Three Sisters.

Other companies, including Elf, Total, IBM, the British Airports Authority, Scottish Widows and Marks and Spencer are also supporting events, but business contributions account for only a small part of total festival expenditure.

Mr. Luke Rittner, of the Association of Business Sponsors of the Arts, which represents

quality and prestige. No company wants to be associated with a production that has 15,000 people writing letters of protest to The Times.

Arts sponsorship was undertaken by private companies not for the good of their souls, but because it made sound business sense.

Businessmen have to be shown a carrot and that is usually involvement with some excellent event.

"Inevitably, a lot of money is going to go to the bigger arts organisations with most prestige. The view that industry should support the arts in general will not wash with the Philistine businessman—and there are a few of those around."

Mr. Bob Menzie, BP's public affairs director for Scotland, said that the company was not looking for enormous publicity, merely proper recognition of its involvement.

"If there is going to be sponsorship on any scale, then there has to be a guarantee of quality and prestige. No company wants to be associated with a production that has 15,000 people writing letters of protest to The Times."

Arts sponsorship was undertaken by private companies not for the good of their souls, but because it made sound business sense.

Businessmen have to be shown a carrot and that is usually involvement with some excellent event.

"Inevitably, a lot of money is going to go to the bigger arts organisations with most prestige. The view that industry should support the arts in general will not wash with the Philistine businessman—and there are a few of those around."

Mr. Bob Menzie, BP's public affairs director for Scotland, said that the company was not looking for enormous publicity, merely proper recognition of its involvement.

"If there is going to be sponsorship on any scale, then there has to be a guarantee of quality and prestige. No company wants to be associated with a production that has 15,000 people writing letters of protest to The Times."

Tory victory will bring tax cuts, says Whitelaw

FINANCIAL TIMES REPORTER

THE CONSERVATIVES will force and constructive attitudes reduce income tax, capital gains and capital transfer tax if they win the election, Mr. William Whitelaw, deputy Tory leader, says in today's issue of the Daily Telegraph.

In an article containing the views of spokesmen from the three main parties, Mr. Whitelaw promises that there will also be an annual "discussion" by the Government on pay rises.

Tax incentives for the work-

force and constructive attitudes reduce income tax, capital gains and capital transfer tax if they win the election, Mr. William Whitelaw, deputy Tory leader, says in today's issue of the Daily Telegraph.

In an article containing the views of spokesmen from the three main parties, Mr. Whitelaw promises that there will also be an annual "discussion" by the Government on pay rises.

Tax incentives for the work-

Chilly summer deters sharks

THE BRITISH summer has been so bad that even the sharks are staying away. None has been landed at Looe, Cornwall, for more than three weeks. Looe is regarded as the centre for Britain's shark fishery.

Local fishermen blame the poor catch on bad weather and the dwindling number of fish, which the sharks eat.

Chemical fires

LONDON FIREMEN last month tackled 30 incidents involving chemicals and hazardous substances, bringing the total this year to 143 in the Greater London area.

Evangelist who wears a fishmonger's coat

IT IS SOMETHING of a commentary on southern discomfort that when some time ago Peter Canipa sent a trial consignment of his Manx kippers to London customers were initially reluctant to buy them because they were not red enough.

To Mr. Canipa, managing director of Deveraux's, one of the big producers on the island, kippers of that variety are Red Indians, a mainland product that has probably been dyed to give it its appealing hue, and forced in an electrically-heated kiln round which smoke has been blown by fans.

On the Isle of Man he does it very differently. Two of his employees spend most of their time throughout the year collecting and storing wood shavings and sawdust from building sites and mills for the 10 fires which are lit in each of the four wooden smoke houses in regular use at Deveraux's. Up to 60 or 70 bags a day are used.

The traditional smoking process he employs takes between 12 and 18 hours before the right golden-brown colour is obtained, and by Isle of Man law no dye can be added to any kipper that is going to be sold as Manx.

Mr. Canipa has been in the kipper business for 26 years and started with his father at the age of 12. For him as for the island's other kipperers, the labour of love starts each day at 8 a.m. at the Peel breakwater, where the previous night's catch of herring is auctioned.

The herring happens to be particularly fond of the Isle of Man, gathering off its west coast every spring and making its way during the course of the season to spawn in vast shoals in autumn off Douglas.

Within minutes of the close of the auction, usually not much after 8.30, herring which were swimming in the sea hours before are being fed into machines at processing factories where a few hundred yards off the breakwater for gutting and the removal of roes.

The tails are left on—though

Prices of fresh food rise by 1% in year

FINANCIAL TIMES REPORTER

FRESH FOOD prices rose by only one per cent during the year to June compared with almost 20 per cent in the previous year, according to Price Commission figures published yesterday.

Bumper vegetable crops were produced, but over-production pushed prices down.

The Commission's fresh food prices index, covering fruit, vegetables, fish, eggs and meat, shows that fruit and vegetable prices fell 6.5 per cent during the year, balanced by an increase in carcase meat prices. Prices for some meats rose 5.2 per cent according to the Commission's figures.

One per cent increase would have been even lower but for a seasonal increase in vegetable prices due to short supplies of the new crop. The index rose 11.4 per cent in the three months since March this year.

Spring crops started slowly and the market gap was unfilled as the shortage was felt generally throughout Europe.

The seasonal price increase pushed the retail price index for seasonal food up from 179.0 during mid-March to 200.5 for mid-June, but immediately fell back by 71 per cent in the following month.

During the previous year, fresh food prices rose by an average 19.8 per cent over the index which is weighted to take account of the different importance of various items in the shopping bag.

Holborn offices go-ahead

Financial Times Reporter

TOWNSEND THORSEN PROPERTIES, the property arm of European Ferries, the Channel ferry group, has extended its growing interests by giving Taylor Woodrow the contract to build a 200,000 sq ft office development in Finsbury, London. On completion, the office block of this size would have a capital value of more than £15m at current rents.

The 18-month contract is likely to be worth about £5m to the contractor.

The group recently acquired another major London development site on the south bank of the Thames, near Vauxhall Bridge. Plans for a 300,000 sq ft office scheme, likely to cost £20m, have yet to be settled.

Within weeks of Mr. Henry Edwards, former chairman of Centre Hotels, buying a major stake in Adda International and becoming its chief executive, Adda has bought the 160-bed Leinster Towers hotel in London's Grosvenor from the Courage subsidiary Anchor Hotels for £1.65m.

Toll of the price war

NEWS ANALYSIS

HIGH STREET CASUALTIES

BY DAVID CHURCHILL

THE CASUALTY rate in the High Street price war, which was intensified just over a year ago by Tesco's decision to drop trading stamps, is now beginning to take its toll in the retail grocery trade.

The main casualties are the small supermarket chains and independent grocers unable to compete with the low prices and high turnover of the large multiples.

Last week, Barker and Dobson decided to pull its 40 Oakenhurst supermarkets out of the fray. Other trade sources estimate that at least 19 grocery shops are shutting each week and the rate may be rising.

Last year, according to the Institute of Grocery Distributors' latest trade review, the number of independents dropped by 3,000, compared with under 1,000 for the multiples.

Although disproportionately this was a larger cut for the smaller independents—nearly 11 per cent compared with just over 4 per cent—this was balanced by the multiples opening fewer but much larger stores to increase their selling space.

Tesco's new superstore in Basildon, Essex, is the size of 20 typical Tesco supermarkets or up to 100 independent grocers.

Yet the squeeze on small grocers' margins in the face of tougher competition in the price war has not discouraged people from wanting to take over unprofitable stores and run them themselves.

Yesterday, one of the large independent groups of grocers—V.G. with some 3,300 affiliated stores—announced it was setting up a special scheme for redundant workers to use their redundancy pay to take over small stores.

V.G. will help the prospective shopkeeper find the right store and teach him the rudiments of store management.

In return, the store will join the V.G. group and benefit from the bulk buying strength of the group and its national brand image.

Such voluntary groupings probably stand the best chance of surviving the price war. In numerical terms, the independent grocer dominates the retail food trade.

There are some 73,000 independent stores, compared with 7,000 main High Street multiples and 6,000 co-operative stores.

In terms of market share, the independent grocer gets the benefit of sources of finance for success in the 1950s.

Liberals 'party of the past'

BY OUR SCOTTISH CORRESPONDENT

MR. REG PRENTICE, the former Labour Cabinet Minister who is now a member of the Conservative Party, last night attacked the Liberals for keeping the Government in power.

Speaking in the Scottish Borders constituency of Mr. David Steel, the Liberal leader, he said that the Liberals' proud history was now in the past. The party offered, no hope for the 1980s.

"Those who voted Liberal in 1974 were voting against socialism, not for it. Yet they have seen the Liberal MPs, led by Mr. Steel, acting as lobby fodder for a Labour Government."

"As to Liberal influence on policy, it was best summed up by Cyril Smith when he said: 'It's difficult to say what about now.'"

"Liberal MPs have prolonged the life of a Government which offends all the best Liberal traditions. The last few years have been a period of massive new state controls and of diminishing individual freedom."

Mr. Prentice, MP for Newham North-East.

shop developments, advertising services, national advertising, a special regional programme, a range of own-brand products for sale at lower prices.

In addition, the voluntary symbol groups have each formed a close alliance with a main wholesale supplier. Books McConnell is the dominant supplier of Mace, while the newly-merged Linford Holdings and Wheatthorpe are the main suppliers of Spar and V.G.

The trouble with the independent grocers, however, is that their stores are simply too small to compete economically with the larger supermarkets. The Institute of Grocery Distributors found that eight out of 10 independent stores were below 1,000 sq ft in size.

Most multiples have close stores of this size and are keen to develop stores of 10,000, 20,000 sq ft, if not larger.

V.G. acknowledges that the very small shops are uneconomic. Instead, it believes that stores of about 1,000 sq ft are suitable for economic trading in off-High Street locations.

But it is encouraging the development of larger stores—

with the independents—in spite of their vastly superior numbers—only taking about a 38 per cent share.

Thus, the multiple supermarket chains are in a much stronger position to negotiate discounts from suppliers, establish both a trading image and own-brand products, and take advantage of their stronger financial position to choose prime supermarket sites as well as open larger stores.

Such a trading position is not new but the pressures on the smaller independent grocer have intensified in recent years.

These pressures include not only rising costs—such as rent, rates, and lighting—but the severe price inflation of recent years has both reduced the proportion of consumer's expenditure on food and made shoppers more aware of prices.

Unfortunately, small grocers are unable to generate sufficient turnover increases to justify cutting prices in line with stores such as Tesco and J. Sainsbury.

The solution, adopted in the late 1950s, was for groups of independent stores to form loose trading associations to take

advantage of their joint bulk buying power from wholesalers.

Of the total estimate of 73,000 independent grocers, some 21,000 are part of a voluntary group.

The main groups are V.G. with 3,300 stores and 2.1 per cent of the market, Spar and Mace with about 4,000 each, and Wavy Line with just over 3,000 stores.

These four account for about 12 per cent of the grocery market—the same share that Tesco has achieved on its own—with the larger multiples can survive a prolonged price war remains to be seen.

Tesco and the other main multiples obviously feel that the independent grocer gets the benefit of sources of finance for success in the 1950s.

NE, seeking nomination for the safe Conservative seat of Renfrewshire, Selection will be made at the beginning of next month.

Last night's speech and a lunchtime meeting in the Midlothian constituency can be seen as a demonstration of Mr. Prentice's willingness to help the Tory party in Scotland, where it feels it can make large gains at the next general election.

Mr. Margaret Thatcher, the Opposition leader, yesterday began her electioneering campaign with two factory visits in Kent, one to Marconi Avionics near Chatham, and one to the Blue Circle cement works at Northfleet.

For many people, however, the kipper has become a luxury even without the extra cost of postage, and, unfortunately for the industry, the extent to which it can remain within the range of ordinary pockets depends on factors largely outside the industry's control.

Supply for one thing is certain to be a continuing problem. New measures to save the Irish Sea herring fisheries from the over-fishing that has taken place elsewhere round the coast were announced last week by Britain in conjunction with the European Government, and this will largely halt fishing for the last three months of this year and, perhaps, longer.

Competition for the herring landed in the Isle of Man is also strong. Only about 10 per cent of the 8,000 or so tonnes landed in recent years on the island has been bought by kipperers, with most of the rest being barrelled

For re-export to Holland, which boasts a prodigious national appetite for herring.

The increased Continental interest in Isle of Man herring—largely as a result of the closure or exhaustion of other grounds—has sent prices up dramatically.

While landings on the island increased last year by 14 per cent on 1976, the first-hand value of the catch increased by 258 per cent from £1.2m to £4.3m.

For evangelists such as Mr. Canipa, it is unthinkable that the humble kipper would not survive even at the less than humble prices it now fetches, and will fetch, if its scarcity increases.

His latest attempt to introduce it to a wider public was at the Royal Show, Warwickshire, last month. You have to be really keen to buy the kipper's virtues to sell it to farmers at an agricultural show.

Preparing herrings for kippering at Deveraux's

For many people, however, the kipper has become a luxury even without the extra cost of postage, and, unfortunately for the industry, the extent to which it can remain within the range of ordinary pockets depends on factors largely outside the industry's control.

Supply for one thing is certain to be a continuing problem. New measures to save the Irish Sea herring fisheries from the over-fishing that has taken place elsewhere round the coast were announced last week by Britain in conjunction with the European Government, and this will largely halt fishing for the last three months of this year and, perhaps, longer.

Competition for the herring landed in the Isle of Man is also strong. Only about 10 per cent of the 8,000 or so tonnes landed in recent years on the island has been bought by kipperers, with most of the rest being barrelled

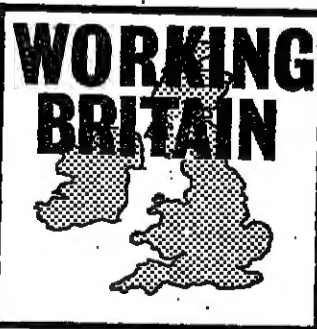
For re-export to Holland, which boasts a prodigious national appetite for herring.

The increased Continental interest in Isle of Man herring—largely as a result of the closure or exhaustion of other grounds—has sent prices up dramatically.

While landings on the island increased last year by 14 per cent on 1976, the first-hand value of the catch increased by 258 per cent from £1.2m to £4.3m.

For evangelists such as Mr. Canipa, it is unthinkable that the humble kipper would not survive even at the less than humble prices it now fetches, and will fetch, if its scarcity increases.

His latest attempt to introduce it to a wider public was at the Royal Show, Warwickshire, last month. You have to be really keen to buy the kipper's virtues to sell it to farmers at an agricultural show.



RHYS DAVID looks at the problems behind the humble but tasty Manx kipper



Preparing herrings for kippering at Deveraux's



Mr. Randolph Agnew

John 10/15/80

LABOUR NEWS

Civil servants' leader attacks pay guidelines

BY ALAN PIKE, LABOUR CORRESPONDENT

THE GOVERNMENT'S Phase Four guidelines show no sign that it is aware of "the realities of the present or the lessons of the past," according to Mr. Corry Gillman, general secretary of the Society of Civil and Public Servants.

Mr. Gillman says in his union journal that the White Paper is "so disastrously inadequate and unrealistic" that even the Government could not seriously regard it as workable policy for the next 12 months.

The crucial test for the public sector — "and for whichever Government is in power" — would come in November when local authority manual workers were due to settle, and the Pay Research report on Civil Service pay comparisons would be delivered.

The society must be prepared to meet the challenge and was preparing contingency plans for action.

We are also discussing with other public sector unions possible areas of co-operation, because the lesson of last year is that the Government's intra-agency towards its own employees must be faced with all the strength and unity possible both within and between unions.

Mr. Gillman, accusing the Government of a "depressing poverty of imagination" over

Differentials

"Once again they will be allowed to use the philosopher's stone of self-financing productivity deals to transform the 5 per cent limit into more glittering prizes."

"Discrimination against the public services would be perpetuated, and indeed intensified, instead of being put right."

Technicians and technologists have less and less incentive to undergo lengthy training, TASS, the staff section of the Amalgamated Union of Engineering Workers, says in its annual salary census published this week.

Differentials continued to decrease with particularly bad effects on young technicians.

Between January 1976 and last January, earnings in manufacturing rose by 51 per cent. The employees must be faced with all the strength and unity possible both within and between unions.

Mr. Gillman, accusing the Government of a "depressing poverty of imagination" over

Trawler fleet feeling tested by vote

Financial Times Reporter

VOTING BEGAN yesterday throughout the Aberdeen trawler fleet to find the strength of support among the 1,000 crewmen for taking industrial action to secure decasualisation of the industry.

National talks between the British Fishing Federation, representing UK trawler owners, and the Transport and General Workers Union over the union's long-standing demand to decasualise broke down in July. The Department of Employment has asked the two sides to meet again under its auspices. No date has been set.

The Aberdeen trawlermen's committee of the union decided to go ahead with the ballot, which will take three weeks to complete, although talks with local owners on the issue are scheduled for next Monday.

Mr. Mel Keenan, the union's fisheries officer in Aberdeen — where membership is 100 per cent aboard the 65-strong fleet, making it the best organised in the UK, said yesterday: "The committee do not feel the Federation intend to have meaningful negotiations, and want to test the reaction of the members."

Confident

The question being asked of union members is whether they would be prepared to take industrial action if significant progress is not made over decasualisation. All the indications were of overwhelming support to decasualise, Mr. Keenan said.

"If we don't secure it there will be a stoppage, but we are determined to exhaust all levels of negotiations, both locally and nationally, before it happens."

Mr. Bob Allan, chief executive of the Aberdeen Fishing Vessel Owners Association, said it had assured the union locally that it was prepared for meaningful negotiations. It would be best for the talks to go ahead without pressure from a ballot.

The basics of a decasualised scheme must be worked out on a local level, although there were national considerations, such as a fisherman's right to unemployment benefit, which would have to be taken up by Government.

Scottish teachers in class struggle

INDUSTRIAL ACTION by Scotland's biggest teaching union could lead to thousands of primary schoolchildren being sent home this week at the start of the new term.

Members of the Educational Society of Scotland, who are being urged to refuse to teach composite classes of more than 25 children and a union official said that this could lead to 6,000 children being sent home in Glasgow alone.

Mr. John Pollock, the union's general secretary, said that members at individual schools throughout Scotland were being instructed to hold meetings to decide whether to carry out the action.

Class size

If they voted in favour, they would have to give 48 hours' notice to allow head teachers to amend timetables and class sizes. The union wants composite classes — those made up of children from more than one educational stage — phased out of the Scottish primary schools system in urban areas.

Mr. Pollock denied that his union, whose members make up more than 90 per cent of teachers in Scottish primary schools, was seeking a confrontation.

But one looked inevitable yesterday when Strathclyde Regional Council, which includes Glasgow, confirmed it would be recommending head teachers to suspend teachers who refused to take composite classes with more than 25 children.

Chrysler BL merger urged by union men

BY OUR LABOUR CORRESPONDENT

THE GOVERNMENT was urged yesterday to take over Chrysler and merge it with BL as a means of halting any further erosion of the British motor industry.

Members of the Leyland trade union combine committee said that Chrysler workers would be left to the mercy of promises from any more multi-national companies.

"Chrysler workers are not just fighting for their own future but the future of Britain as an industrial nation," said the committee. The condition of Chrysler showed the contrast between multi-national companies and trade unions and workforces.

The reaction of the Leyland-dominated BL committee is predictable. Since the Peugeot-Citroen offer for Chrysler's European operations there has been inevitable speculation about the possibility of Leyland making a counter-bid for Chrysler UK.

Such a course is most unlikely. Mr. Roy Fraser, leader of the unofficial toolroom workers' committee in BL, yesterday deployed disciplinary measures by the Amalgamated Union of Engineering Workers against 32 toolmakers on strike at the company's SU Fuel Systems

factory in Birmingham. Most of the men, who are in defiance of an instruction to return to work, are being fined 25 each for failing to attend a meeting of the AGSW East Birmingham district committee and explain.

The union is urging other workers at the SU plant to work normally in spite of the strike. Union officials went to the factory yesterday to deliver this message.

Disciplinary action, said Mr. Fraser, could lead only to acrimony and would not help resolve the problem.

Other BL toolmakers are providing financial support for the strikers, who claim that the company has not honoured a pledge to give them pay parity with other BL plants in Birmingham.

Mr. George Wright, General Secretary of the Wales TUC, yesterday met representatives of BL's management at the Llanelli radiator plant, where an unofficial strike has resulted in more than 1,000 workers being laid off. The meeting, which continued late into the night, was set up to try to find a peace formula.

Flights may be disrupted by engineers' strike

BY NICK GARNETT, LABOUR STAFF

TALKS YESTERDAY failed to solve the pay dispute involving British Airways engineers who are due to start a 24-hour strike tomorrow.

The strike will disrupt flights, particularly from Heathrow, but the airline believes it will be able to operate most of its services.

There appears to be considerable resistance to the strike by

engineers in British Airways European division, so that short-haul flights may be less severely affected than intercontinental services.

The airline's engineers are seeking parity with British Caledonian workers at Gatwick for work on wide-bodied jets. The claim largely relates to work carried out in British Airways long-haul overseas divisions.

Miners stage walk-out

MINERS AT Cardowan Colliery, Scottish region of the NUM, staged a walk-out yesterday in protest over retrospective payments which form part of the industry's national productivity scheme.

The 600 men are unhappy over the lack of progress in negotiations on the payments, said National Union of Mineworkers' Scottish executive member Mr. Graham Steel.

He claimed that the disruption was a predictable result of the productivity scheme, which the

Scottish region of the NUM, staged a walk-out yesterday in protest over retrospective payments which form part of the industry's national productivity scheme.

The 600 men are unhappy over the lack of progress in negotiations on the payments, said National Union of Mineworkers' Scottish executive member Mr. Graham Steel.

He claimed that the disruption was a predictable result of the productivity scheme, which the

Social workers' action spreads

BY PAULINE CLARK, LABOUR STAFF

INDUSTRIAL ACTION by social workers was stepped up yesterday. The social services departments of the London boroughs of Tower Hamlets and Ealing were hit by strikes.

About 220 social workers from Tower Hamlets joined colleagues from Newcastle-upon-Tyne and the London Borough of Southwark in a protest march through the capital on the first day of their indefinite strike over pay gradings.

About 90 social workers from Ealing who took action yesterday were expected to be back at work to-day.

Welfare services in Tower Hamlets, where social needs are particularly heavy, are likely however to be at least hit as those in Newcastle and Southwark, where social workers have already been on official strike for more than a week.

Most of the social workers are members of the National

and Local Government Officers' Association which is supporting demands by the strikers for the abolition of national and provincial agreement on grading.

Although NALGO has now set up a special panel to oversee developments in the dispute, the union held out little hope yesterday of an early meeting with national employers' representatives to try to find a solution.

Grievances

In the face of what it described as "other simmering areas of trouble" in the country, the union said that it was up to the local authority employers to talk to their own social workers about their grievances.

The union favours the introduction of local bargaining rights to raise social workers' basic pay scales generally and to allow those working in "problem" areas to receive

extra reward for heavier work loads.

Tower Hamlets was said by its social workers yesterday to be one of the toughest boroughs to work in throughout the UK with one of the highest rates of juvenile delinquency and some of the most sub-standard housing stock.

They also complained of serious under-staffing and have lodged a claim for a net minimum of £80 a week rising to £100 for qualified workers with seven years' experience compared with present rates of between £40 and £80.

The union has previously rejected an offer by the employers' side of the Greater London Whitley Council of a revised grading structure raising its 5,000 social workers — including those at Tower Hamlets — a rise of between £30 and £400 a year.

This would be on top of the recently settled annual pay increase of just under 10 per cent.

SIEMENS

Information for Siemens shareholders

New orders exceed £5.3 billion

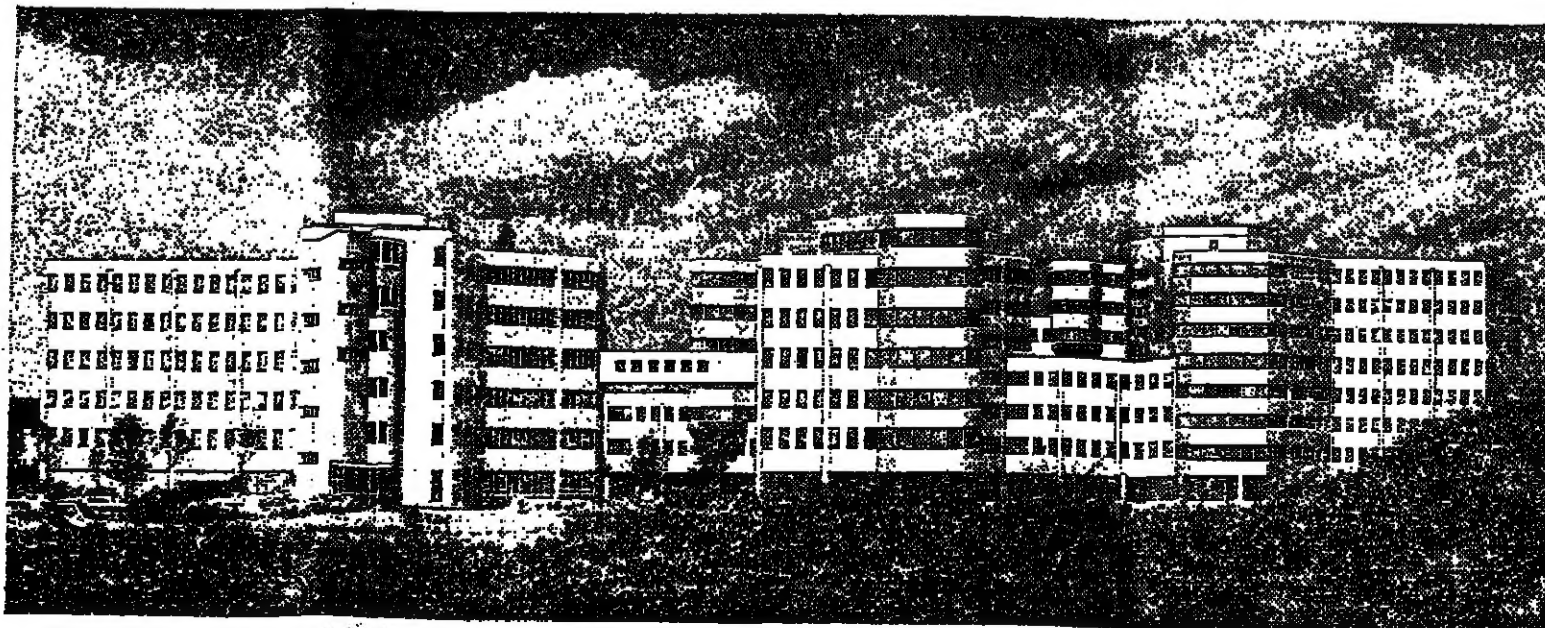
During the first nine months of the current financial year, i.e. from October 1, 1977 to June 30, 1978, Siemens recorded £5.361 bn in new orders received as against £5.023 bn for the first three quarters of the preceding year. In comparably adjusted terms, this is an increase of 3%.

| In £ bn | 1/10/76 to 30/6/77 | 1/10/77 to 30/6/78 | Comparably adjusted change* Siemens | excl. KWU |
|------------------------|--------------------|--------------------|-------------------------------------|-----------|
| Orders received | 5.023 | 5.361 | +3% | +2% |
| Domestic business | 2.190 | 2.451 | +8% | +8% |
| International business | 2.833 | 2.910 | 0% | -3% |
| Sales | 4.398 | 5.162 | +4% | +5% |
| Domestic business | 2.165 | 2.444 | +8% | +8% |
| International business | 2.184 | 2.718 | +14% | +2% |
| Orders in hand | 11.662 | 11.665 | 0% | +8% |
| Inventories | 3.042 | 3.456 | +14% | +9% |

After a mild revival in the first half of the year, German domestic orders stood at £2.451 bn on June 30, 1978, a 6% rise above last year's £2.190 bn. As the result of a third-quarter improvement, orders received from abroad were again equal to those of the preceding year, attaining £2.910 bn as compared with £2.833 bn a year ago. Last year, several major contracts were concluded overseas; this year, a larger number of medium-size orders were received, thus providing work for more plants.

The total figure for orders received during 1977/78 is expected to improve further by the end of the current financial year, on September 30, 1978.

Siemens worldwide sales rose during the period under review to £5.162 bn vs. £4.349 bn during the first nine months of the preceding year. Comparably adjusted, however, sales did not quite match the volumes of a year ago, because Kraftwerk Union's billed sales were still down at third quarter. Sales for the total financial year are expected to exceed last year's levels.



New centre for data systems engineering
During the current financial year, Siemens has received nearly 30% more orders for data processing systems. The Company's new line of small computers and peripherals has contributed substantially to this encouraging success. The Data Systems Group has been relocated in the new Research and

| In thousands | 30/9/77 | 30/6/78 | Change |
|--------------------------|---------|---------|--------|
| Employees | 318 | 315 | -1% |
| Domestic operations | 221 | 219 | -1% |
| International operations | 98 | 99 | +1% |

The number of employees remained essentially unchanged: 318,000 as compared with 319,000 at the start of the financial year. There was a 1% seasonal decline to 219,000 employees in the Federal Republic of Germany, but this figure is expected to rise by the end of the Company's financial year to levels close to those at its beginning.

| In £ bn | 1/10/76 to 30/6/77 | 1/10/77 to 30/6/78 | Comparably adjusted change* Siemens |
|-------------------------------------|--------------------|--------------------|-------------------------------------|
| Employment costs | 2.074 | 2.224 | +8% |
| Capital expenditure and investment | 315 | 236 | -25% |
| (incl. initial addition KWU and TU) | (119) | (-) | |
| Net income after taxes | 97 | 111 | +14% |
| In % of sales | 2.2% | 2.2% | |

During the period under review, Siemens invested roughly the same amount in fixed assets as a year ago. Total capital expenditure and investment, including acquisitions in the U.S. of approximately £26 m, amounted to £236 m as compared with £315 m last year. Comparably adjusted, this is an increase of 14%. As the result of an agreement concluded with General Electric to acquire that company's 21.45% share of OSRAM GmbH, Siemens now holds a 100% interest in OSRAM.

During the first nine months of the current financial year, net income after taxes was £111 m (vs. £97 m). Just as in the preceding year, this represents a 2.2% net margin of sales.

* Rates of change have been comparably adjusted due to the consolidation of Kraftwerk Union and Transformator Union effective 1st January 1977. All amounts translated at Frankfurt middle rate on 30th June 1978: £1 = DM 3.866.

Siemens AG In Great Britain: Siemens Ltd.

APPOINTMENTS

Jonathan Wren • Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

EUROBOND SETTLEMENTS Senior Position to £8,000

Our client, a leading investment bank, has a high reputation worldwide and is active in the Eurobond markets. Due to the continuing growth of their London business, they wish to make this new appointment. Senior Eurobond Settlement Clerk. Candidates should be aged late 20s to early 30s, with experience in Eurobond primary and secondary market transactions.

The firm is located in modern offices easily accessible from St. Paul's and Moorgate tube stations. Salary and benefits will reflect the employer's reputation and the calibre of the successful applicant.

CONTACT: Roy Webb

PERSONNEL ADMINISTRATION c. £6,000 neg.

Our client is an expanding international bank. Candidates for this position should have a very good grounding in personnel work, including recruitment, and in the administrative services of a medium size organization. It is anticipated that the successful candidate will be aged 35+.

CONTACT: Norma Given (Director)

DOCUMENTARY CREDITS to £6,000

A merchant bank seeks an experienced person for its expanding Documentary Credits Department. The ideal applicant will be aged 23-26, with over three years experience of documentary credit work gained in the international banking field. He/she must be ambitious, prepared and able to work under pressure.

CONTACT: Richard Meredith

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

IN THE OFFICE Dictation system

DICTATION equipment which offers the convenience of micro-cassettes and the flexibility of both desktop and portable recording units has been introduced by Dictaphone Corporation.

Micro Master Model 350 is designed for dictation and transcription on micro-cassettes, which duplicate the quality, performance and capacity of standard cassettes on a medium one-third the size.

A microprocessor-controlled light emitting diode (LED) display panel has a flashing electronic cursor which constantly

indicates the location on the cassette. This is true in all modes, including fast forward and fast rewind, for both the author and the secretary.

The microprocessor also controls Dictaphone's exclusive Q-Alert indexing system, which eliminates indexing slips by allowing the author to record signals on the tape to indicate the number, location and length of dictated documents and make reference to any special instructions for the transcriptionist. The transcriptionist automatically generates an identical electronic display of this information when scanning the dictation.

Another feature made possible by the microprocessor is Dictaphone's self-diagnostic capability that facilitates servicing the unit.

Dictaphone, 120 Old Post Road, Rye, New York 10580, U.S.



MATERIALS

Puts marks on red hot metal

AMONG THE latest marking devices to be offered by Lawtons, of Liverpool, is a crayon which can be used to apply identification marks on metal components whether they be ice-cold or red hot.

It is stated that it will write smoothly on metal at 2,300 degrees F and will retain its colour and clarity as the metal cools. No fumes are given off when the crayon is applied and it does not melt or drip.

The crayons are supplied in white, green, aluminium or red and there is also available an aluminium holder with an extension piece which enables the user to stand away from very hot material. The crayons are supplied by the company's Coding and Marking Division, 60, Vauxhall Road, Liverpool L69 3AU (051-227 1212).

Cured with ultra-violet

FORMULATED to operate in an ultra-violet system a varnish has been produced by Edward Marsden, Hull, to complement its range of Discrete inks. It is available in gloss or matt finish to suit individual printer's requirements.

The Discrete curing inks are being applied by printers using foil metals, paper and board as the basic substrates. Printers will be able to varnish using the same curing system. This should enhance the attraction of the method for printers producing such lines as labels, cigarette packets, butter wrappings, cartons with foil surfaces and a variety of other products where scratch and rub-resistance are of prime importance.

Over-priming with the new Marsden varnish can be carried out immediately after the normal printing process, using the ultra-violet system.

Edward Marsden, Rotterdam Road, Sutton Fields, Hull.

CONSTRUCTION

Many roles expected for new high strength material

DEVELOPMENT of a process for the production of a new structural and cladding material called Fypol, and its subsequent successful use on a small scale, is to be followed by a major effort to establish a material in its own right and as an economic alternative to other similar products already well established in the building materials market.

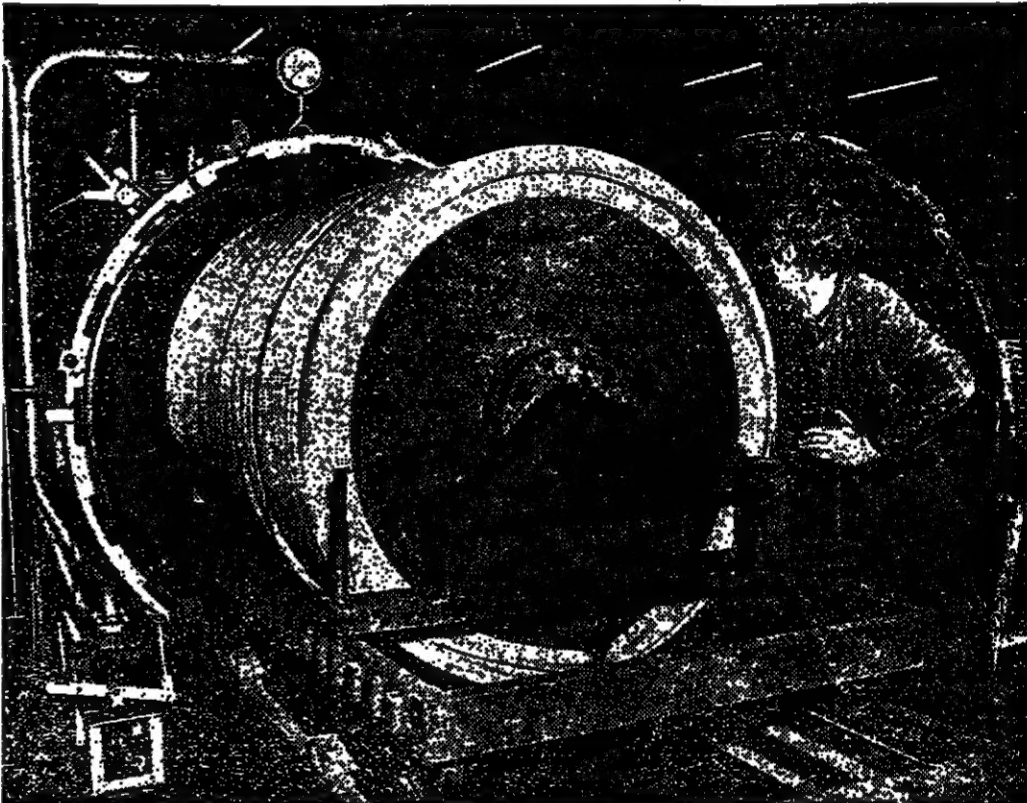
Fypol is a patented process in which mineral aggregates are bonded with resins and cast into a variety of components ranging from permanent formwork to

composite building panels. Resins, glass fibre or steel can be incorporated to meet particular requirements for strength and rigidity and a variety of finishes can be applied during manufacture. The company promoting the material suggests that the first products (and they have already been used in the construction industry) might well be bridge panels and simple cladding for industrial buildings. The bridge panels can be used as permanent shuttering for concrete work, thus eliminating the need for timber or steel formwork.

The cladding is thought to be particularly suitable for use in place of corrugated asbestos sheeting. Longer spans are said to be possible, thus saving the cost of supporting structures. The panels can be made in the factory with whatever type of finish is required.

The cladding panels can also be bonded to a foam core to provide insulated roof and wall cladding. Panels of this composite type can be made and finished in one operation.

These two types of panel, it is stated, could make the "bread



A 31-ton rubber covered steel roll from British Steel Corporation's tin-plate strip mill entering an autoclave for vulcanising at the Hirwan, South Wales, plant of Harefield Rubber Company. The newly applied uncured rubber

is bound with nylon to help exclude air and to mould the laminations before vulcanising under pressure at 315 degs F for several hours. Harefield's South Wales plant re-converts rollers weighing up to four tons for the steel, metal decorating, printing and other industries.

ELECTRONICS

Monitors of high quality

HIGH QUALITY monochrome crt monitor units from Plessey will be useful to manufacturers of computer visual display units. In particular, for such applications as word processing and phototypesetting, which require high character density displays.

The suggested format is 25 rows of 80 characters each, giving a total of 2,000 characters. Plessey is one of the few monitor manufacturers providing its own deflection coil and yoke assembly. This facility enables makers to match the characteristics of these components to the crt and so to obtain economically a very high quality display. Corner focussing, in particular, is greatly improved. Up to 90 per cent of the screen area can be used.

Currently, Plessey Wound Products is manufacturing 12 and 15 inch sets. All drive circuitry is contained on a single, high quality printed circuit board ensuring easy servicing and reducing potentially unreliable interconnections.

The monitor has been submitted for approval to Underwriter's Laboratories in America and will be exhibited at Electronics in Munich later this year. Additional technical details from Plessey, Titchfield, 03294 43031.

Gives crisp images

HIGH RESOLUTION pictures can now be obtained with Hewlett Packard's model 13395 display with the decision to make it available with an electrostatic deflection cathode ray tube.

Its high resolution makes it particularly suitable for scanning auger microscope applications; about as good as Polaroid 5 x 4 film, the resolution is also described as compatible with the resolving power of the human eye on a 5 x 4 inch photograph viewed at about 25 cms.

Very low power consumption, inherent in electrostatic displays, contributes significantly to reliability and reduced maintenance. The inherent stability, lower component count and simpler circuits also mean fewer and less frequent adjustments. Hewlett Packard is at King Street Lane, Wincoburn, Wokingham, Berkshire, RG11 5AR (0734 784714).

DATA PROCESSING

Warning for the small business

TURNING its attention to smaller companies with a turnover of between £250,000 and £2m, Infotech International, Europe's largest training and conference group, has warned them that it is no longer a question of whether they will have a computer but when.

The Infotech message is that an enormous range of small business computers exists. Far from demanding million-pound investments, one of these can cost as little as £1,000. It will require no special power supply, air conditioning or false floors.

The right choice of computer should reduce the firm's administrative costs, increase productivity and speed up cash flow. But the wrong choice is likely to have precisely the opposite effect, possibly to the extent of bankruptcy.

Infotech's "Buyers' Forums" are a feature of the computer series. Remember the company will hold the first to be devoted entirely to the small business computer. Although it will be aimed primarily at executives of small businesses, foreclosures are also expected from larger concerns that have local branches, subsidiaries or divisions that operate like small

autonomous firms. Previous technical knowledge of computer systems is not a necessity for delegates to the Forum, which will be at London's Regent Centre Hotel from September 26-28. It will cover three full days of intensive study plus the opportunity to view and discuss up-to-date equipment and peripherals at the associated exhibition.

Infotech, Nicholson House, Maldenhead, Berks, SL6 1LD, 0628 35031.

With a minicomputer, 10 megabytes of disc storage for customer and product files, three checkout printers, four high-speed matrix printers for invoices, goods receipts, notes and labels, and a manager's control console, the real-time computer system will help make the new general grocery warehouse one of the most technically advanced in the country.

Revens (Kenscot and Carry Group) selected Real Time Computer equipment for the job largely because of the variety of

management aids supplied with the basic customer outgoings data capture system.

Coupled with extremely simple operational methods the RTC equipment is expected to make this new cash and carry centre, installed in an ex-Spillers bakery at a cost of more than £1m a going concern from the start in October.

RTC is at Kibbels House, Carpenders Park, Watford, Herts, 01-428 0088.

At least 45 countries—and it could be as many as 80 or 100—are expected to be represented in the session which will stretch out over 10 days from August 28 to September 6.

In theory they will be there to discuss how governments can develop methods of using data processing to better effect, so as to improve internal administration, mobilise resources and keep

better control of development plans. This is why so many of the developing countries will send staff.

Technocrats will abound, but what is worrying them, particularly on the French side, is the probability that America will make available, free, the data it holds in computer files that the U.S. has derived concerning resources of countries around the world through such programmes as the Landsat, ERIS and other satellite launches.

In addition to this, other databases of relevance in many other areas may be made available, together with the communications resources that are essential to gain access to them.

The intention would be to open these facilities at no charge. France is understood to be preparing a counter.

One topic which is closely linked to the foregoing is that of the control of the flow of information across national frontiers, which is now beginning to look like one of the more thorny problems so far to have emerged from the convergence of computing and communications. IEA.

LAING

for tomorrow's BUILDING, CIVIL & INDUSTRIAL ENGINEERING

A turbocharged three-seater helicopter at the final assembly stage in the Spooner Aviation hangar at Sherburn Airport, Sussex. The American manufacturer of the aircraft, Eastman of Menominee, Michigan, has appointed Spooner Aviation (079 17 6166) as sole distributor in the UK and Eire. Apart from passenger-carrying the aircraft can be used for the transport of light freight, crop spraying and rescue operations. Maximum speed is 117 mph.

and butter" line for a company embarking on a manufacturing programme. Other applications envisaged for the material include prefabricated buildings, sewer, tunnel and shaft linings, and chemical-resistant wall linings in factories.

The company which has developed the material, Fypol International, Caterham, 3a Marine Court, 9/10 Pembroke Terrace, Bridlington, North Humberside, Yorks (0262 72500) is now offering manufacturing licences, technical advice and assistance in setting up factories. It says manufacturers can be undertaken with unskilled labour and comparatively simple equipment for casting the material in sheet form. It is reckoned that a 50,000 sq ft factory could produce 1m sq ft of composite panels and about 250,000 sq ft of bridge and cladding panels a year. Standard size of the panel is three metres by one metre and thicknesses can be produced according to needs,

AUTOMATION Sees object on the move

LEDRA/T is a self-contained photo-electric equipment which has its own programmable time delay. It will detect moving objects up to three metres away. Solid-state circuitry and resistance to vibration make it highly suitable for tough industrial environments and the equipment has long service life.

Setting the time delay between 0.2 and 45 seconds is by simple switches. Two small LED indicators show when the unit is aligned and when the output relay is energised.

Typical applications include blockage detectors on conveyor belts and feed control on all forms of automated processes. London (GEC), POB 79, Oakfield Road, London SE20 2EW, 01-689 2424.

SERVICES Fast action sealing

FORMED to provide a complete service of metal impregnation capable of pressure-sealing components such as castings, sintered parts and laminated electrical components, R.J. Metal Impregnations (PSM Fasteners Group) proposes to offer same day processing and dispatch where this is required.

The company will apply the Loctite vacuum impregnation process which combines an anaerobic sealant with vacuum operation to give better component finish, chemical resistance and ability to withstand pressure of at least 2,000 psi.

Impregnation cycles take about 20 minutes to complete and full cure of the sealant a further 20 minutes. There is no shrinkage and heat-treatment is not required.

Treated components are clean, free from surface residues and ready for immediate machining, painting or plating. Anne Street, Wincoburn, Wokingham, Wiltshire, RG11 5AR, 0734 784714.

METALWORKING High speed cutting off

THREE high production rate, purpose-built abrasive cutting-off machines are available from the Universal Grinding Wheel Company of Stafford (Unicorn Industries).

The range is a step forward in mechanical and abrasive cutting-off in terms of floor to floor speed, accuracy and safety. They combine Universal's knowledge of abrasive technology with the experience of grinding machine design accumulated by Snow and Co, Sheffield, which will make them.

The range consists of the C1: a semi-automatic abrasive cutting-off machine for foundry and general engineering work—C2: a fully automatic machine with integral racking and bar feed mechanism, suitable for general engineering applications and the C3: a heavy duty, high power, hot or cold cutting-off machine primarily for in-line rolling mill applications.

Universal Grinding Wheel, Dorsey Road, Stafford, ST16 1EA.

PUBLIC NOTICES

INTERVENTION BOARD FOR AGRICULTURAL PRODUCE

INVITATION TO TENDER

Tenders are invited for the urgent supply and delivery c.i.f. from any EEC port of 10,000 tonnes of soft wheat destined as United Kingdom National Food Aid to the Government of Tanzania. The wheat is to be loaded into one ship and delivered without delay to the port of Dar-es-Salaam.

The allowance for the supply and transportation costs of the grain will be determined on examination of the Tenders. Delivery terms embodied in a Notice of Invitation together with Tendering Forms may be obtained from: Branch B (Cereals), Internal Market Division, Intervention Board for Agricultural Produce, 2 West Mall, Reading. (Tel: Reading 858282).

Tenders must be submitted by 12 noon, Tuesday, September 5, to: Home Grown Cereals Authority, Hamlyn House, Highgate Hill, London N19 5PR.

GREATER LONDON BILLS

£35m Bills issued 17.8.78, maturing 16.11.78 at 8.55%. Total applications £150m. Bills outstanding £60m.

PERSONAL

BATH SERVICES

Baths resurfaced in-situ in white and most standard colours at a fraction of the replacement cost. For expert guaranteed service contact: Bath Services, 26 Romilly Street, London W1. Telephone 01-477 8238/8713. Telephone Sheffield 666698. Telephone Winchester 66587.

HELP SAVE OUR EX-SERVICEMEN FROM FURTHER SUFFERING. War right up until Northern Ireland today mean that hundreds of thousands of war veterans still exist. Ex-servicemen, widows, orphans, desperately poor homes, jobs, food, fuel and other essentials the annual Poppy Appeal alone cannot possibly pay for. Please send donations to: The Royal British Legion, Maidstone, Kent, ME18 7RX.

Conference? Seminar? Company Meeting? Reception? Film Preview? Advertising Presentation?

There's no need to hunt around the West End for a suitable venue or viewing theatre. The FT Cinema, here in the City, offers seating in comfort for 50+ people. Full 16mm film projection facilities. National Panasonic 1/2" colour video tape and Philips 1500M video cassette viewing. Electrosonic 3601 slide presentation system. And luxurious private dining rooms with extensive catering facilities.

FINANCIAL TIMES CINEMA

All enquiries to: E.J. Dorner, Cinema Manager, The Financial Times, Bracken House, 10 Cannon Street, London EC4A 3BY. Tel: 01-248 8000 (ext. 670).

CLASSIFIED ADVERTISEMENT RATES

| | per line | single column | double column |
|---|----------|---------------|---------------|
| Commercial and Industrial Property | 4.50 | £ | £ |
| Residential Property | 2.00 | 2.00 | 2.00 |
| Appointments | 4.50 | 14.00 | 14.00 |
| Business & Investment Opportunities, Corporation Loans, Production Capacity, Businesses for Sale/Wanted | 5.25 | 16.00 | 16.00 |
| Education, Motors, Contracts & Tenders, Personal, Gardening | 4.25 | 13.00 | 13.00 |
| Hotels and Travel | 2.75 | 10.00 | 10.00 |
| Book Publishers | 7.00 | 7.00 | 7.00 |

Premium positions available (Minimum size 40 column cms.) £1.50 per single column cm. extra. For further details write to: Classified Advertisement Manager, Financial Times, 10, Cannon Street, EC4A 3BY.

John Collier

The British re

At the we

Where juries are a hindrance

BY DAVID LASCELLES IN NEW YORK

THE RECENT decision by Xerox and IBM to end their bitter feud by giving each other access to the other's patents for the next five years is bound to add to the already considerable technological strength of both companies. But it also highlights an issue of some current interest in Britain: whether courts of law, particularly those with juries, are equipped to handle modern patent cases.

Exasperation

The very fact that Xerox and IBM, both of them ardent litigants, should have decided to call it a day is itself a good indication of what those in the thick of the action think. IBM, for instance, regards recourse to law as a purely business decision, based on whether or not it is worth the company's time, effort and money. But though the issue ends no less than 12 cases outstanding between them, the two companies are still embroiled in at least as many suits with other companies and the anti-trust authorities which are likely to last several years. Two of them are good examples of the extremes to which modern-day company litigation can go, and both have produced evidence of mounting exasperation in the judiciary.

In 1973 Xerox was sued for \$150m by SCM, an office equipment company, for allegedly depriving it of access to its dry copier technology back in the 1960s by hiding it in "a thicket of patents." This case recently became the longest jury trial in U.S. legal history. The 50,000 pages of evidence it amassed was so complicated that the judge was forced to feed it to the jury in the form of no less than 62 questions, each requiring a straight and unanimous yes or no. Even so, the jury was unable to cope. Three of their answers were contradictory, something of which they were not aware until the judge pointed this out and directed them to reconsider, which they did. But their new answers swung the balance of their verdict away from Xerox towards SCM, an indication of the complexity of the issues being weighed.

A more outspoken intervention was made by the judge in a current case involving IBM. The computer maker was sued in 1973 for \$15m by Memorex, an electronics firm, for allegedly trying to monopolise the electronic data processing industry. The jury finally went out on

Oratory

According to the U.S. constitution, any suit involving more than \$20 should be tried by jury, an indication, lawyers say, of how antiquated court procedures have become. But views differ on whether juries should be got rid of altogether. Defendants tend to prefer trial by judge because plaintiffs with marginal cases are less likely to baffle the court with complicated language; such trials are also quicker, and the decisions are more clear-cut and well-reasoned. Because, unlike a jury, a judge is obliged to explain his verdict at length, (this also makes a verdict more sustainable on appeal). Plaintiffs, on the other hand, prefer jury trial because it puts extra tactics like oratory at their disposal and leaves open broad avenues for appeal.

THE PRODUCTION of a sponsored film or video programme is a complex business transaction, rather like the design and construction of an office block. It involves a vast array of specialised technical services: it demands careful cost control and critical path planning (but is seldom amenable to such methods); it may involve the acquisition of rights (or the surveyor's equivalent of wayleaves, ground leases and Ancient Lights); and it is the quinquennial of art, business management and technology in what the sponsor hopes will be a consummated marriage.

There, perhaps, the analogy ends. The architect can produce drawings, models, even photocopies, to show almost precisely what the building will look like (even though many objectors will rightly claim that such impressions can be grossly misleading). The film producer can only rely on the words of a treatment script—a kind of essay that describes content, attitude and intended effect. But words are a poor substitute for moving pictures and sound: the producer's knowledge of what is possible is usually far greater than the sponsor's who can only hope for the best when a script refers to "a montage of the company's quality testing programme, cut to modern music."

The film-maker, if he is good, will have a very clear idea of

the intention behind such a line and will certainly have a professional appreciation of the potential that the subject offers in such treatment. But without combining the talents of Marcel Marceau, T. S. Eliot and Barnum and Bailey, it must be left to words on paper to convey that potential. And between the tedious, intangible process of production that is more susceptible than most to human frailty, Acts of God and Murphy's Law. In consequence and not surprisingly, many sponsors seek adequate protection in the form of contract that is some aspects of commission a film. Some aspects of production are amenable to legal definition, most are not, and for the unwary sponsor it is important to know the difference.

The substance of what may be reasonable and practicable is available in an outline contract prepared jointly by the British Industrial and Scientific Film Association (which represents most of Britain's leading film sponsors) and the Association of Specialist Film Producers. This takes as its starting point the normal practice of considering film production in three approval stages—the script, the "rough cut" or "cutting copy" (which is an assembly of the rushes with a rough recording of the commentary) and the delivery of the "answer print" (the first, completed copy of

the film). Payment may be also phased to these approval stages with an additional stage at the beginning, on commissioning, although frequently payment is reduced to three parts, on commissioning, acceptance of script and completion of film.

The BISFA/ASFP contract contains standard provisions to cover delays, non-execution, termination and increased costs. The latter is a subject that inexperienced sponsors, perhaps understandably, are excessively nervous about. Protection against escalation in the price is provided by the restriction of rises to increments in charges

exception, sponsored film companies in Britain are a conscientious and caring lot. If costs rise during a production, even because of labour or material increments covered in the contract, more often than not the rise will be absorbed. Rarely will a production company fail to deliver at the original contract price, what ever the contract says, unless there have been exceptional circumstances precipitated by the sponsor.

The budgeting of a film is an inexact science, and in practice the average producer uses experience and intuition as

simply because it just does not fit into the whole very well. And in spite of the absence of a bad weather clause, most producers will still keep a unit waiting or go back for a second time in order to get the right weather if it is really important to the film.

A film contract should be clear about specifying the ownership of rights. Invariably the rights in a sponsored film pass over to the client on completion—but inevitably excluded will be unrestricted rights in material that has been acquired from third parties.

Music employed in a film usually comes into this category, and the contract should specify whether the rights in the music have been acquired for non-theatrical use only (i.e. not cinema or television).

It is important for the contract to specify on what terms copies of the film will be provided by its completion. The BISFA/ASFP contract specifies that ownership of the master negatives shall pass to the sponsor on completion but that provision of further prints and foreign language versions shall be commissioned only from the producer, on terms to be agreed in a separate contract. It has been known for the rare, unscrupulous producer to load the cost of prints excessively— a situation in which the sponsor becomes helpless. Curiously,

professional still photographers retain ownership of negatives commissioned by clients and the Copyright Act endorses this.

Despite such attempts at legal protection, the sponsorship of a film is largely an act of mutual trust. It is impossible to use the law to guarantee creative success. In consequence, some experienced sponsors use nothing more than a simple letter of agreement, relying on their intimate knowledge of the production company as their best guard.

After making provision on the key legal points, the best insurance for creative success begins with the sponsor providing a clear and manageable brief, an adequate budget and plenty of time. Above all, time is an essential ingredient in good film-making. Such elements will help, if not ensure, but film is a fickle medium. Two weeks ago, Canadian Pacific previewed a recruitment film which was commissioned only a few days before the ship on which it was shot actually sailed, and it was completed in under five weeks in order to meet a television screening date. A formula for disaster, but the film won the Gold Award in its category at the 1978 British Sponsored Film Festival. What price good advice?

Hawaiian Sound is Gold Cup choice, but Cistus is danger

WITH THE ground now likely to be on the fast side of good, I shall not look beyond Hawaiian Sound and Cistus in today's renewal of the Benson and Hedges Gold Cup.

This £70,000 York race, arguably the most competitive event in Europe over the 1½-mile mark (it is in fact 110 yards beyond that), has produced some shocks

by a head to Shirley Heights in the Derby, and again failed in a photograph finish to the Irish Sponser Derby, in which his Epsom conqueror and Exdriroty proved just too strong.

This takes as its starting point the normal practice of considering film production in three approval stages—the script, the "rough cut" or "cutting copy" (which is an assembly of the rushes with a rough recording of the commentary) and the delivery of the "answer print" (the first, completed copy of

the film). Payment may be also phased to these approval stages with an additional stage at the beginning, on commissioning, although frequently payment is reduced to three parts, on commissioning, acceptance of script and completion of film.

The BISFA/ASFP contract contains standard provisions to cover delays, non-execution, termination and increased costs. The latter is a subject that inexperienced sponsors, perhaps understandably, are excessively nervous about. Protection against escalation in the price is provided by the restriction of rises to increments in charges

exception, sponsored film companies in Britain are a conscientious and caring lot. If costs rise during a production, even because of labour or material increments covered in the contract, more often than not the rise will be absorbed. Rarely will a production company fail to deliver at the original contract price, what ever the contract says, unless there have been exceptional circumstances precipitated by the sponsor.

The budgeting of a film is an inexact science, and in practice the average producer uses experience and intuition as

simply because it just does not fit into the whole very well. And in spite of the absence of a bad weather clause, most producers will still keep a unit waiting or go back for a second time in order to get the right weather if it is really important to the film.

A film contract should be clear about specifying the ownership of rights. Invariably the rights in a sponsored film pass over to the client on completion—but inevitably excluded will be unrestricted rights in material that has been acquired from third parties.

Music employed in a film usually comes into this category, and the contract should specify whether the rights in the music have been acquired for non-theatrical use only (i.e. not cinema or television).

It is important for the contract to specify on what terms copies of the film will be provided by its completion. The BISFA/ASFP contract specifies that ownership of the master negatives shall pass to the sponsor on completion but that provision of further prints and foreign language versions shall be commissioned only from the producer, on terms to be agreed in a separate contract. It has been known for the rare, unscrupulous producer to load the cost of prints excessively— a situation in which the sponsor becomes helpless. Curiously,

professional still photographers retain ownership of negatives commissioned by clients and the Copyright Act endorses this.

Despite such attempts at legal protection, the sponsorship of a film is largely an act of mutual trust. It is impossible to use the law to guarantee creative success. In consequence, some experienced sponsors use nothing more than a simple letter of agreement, relying on their intimate knowledge of the production company as their best guard.

After making provision on the key legal points, the best insurance for creative success begins with the sponsor providing a clear and manageable brief, an adequate budget and plenty of time. Above all, time is an essential ingredient in good film-making. Such elements will help, if not ensure, but film is a fickle medium. Two weeks ago, Canadian Pacific previewed a recruitment film which was commissioned only a few days before the ship on which it was shot actually sailed, and it was completed in under five weeks in order to meet a television screening date. A formula for disaster, but the film won the Gold Award in its category at the 1978 British Sponsored Film Festival. What price good advice?

By a head to Shirley Heights in the Derby, and again failed in a photograph finish to the Irish Sponser Derby, in which his Epsom conqueror and Exdriroty proved just too strong.

This takes as its starting point the normal practice of considering film production in three approval stages—the script, the "rough cut" or "cutting copy" (which is an assembly of the rushes with a rough recording of the commentary) and the delivery of the "answer print" (the first, completed copy of

the film). Payment may be also phased to these approval stages with an additional stage at the beginning, on commissioning, although frequently payment is reduced to three parts, on commissioning, acceptance of script and completion of film.

The BISFA/ASFP contract contains standard provisions to cover delays, non-execution, termination and increased costs. The latter is a subject that inexperienced sponsors, perhaps understandably, are excessively nervous about. Protection against escalation in the price is provided by the restriction of rises to increments in charges

exception, sponsored film companies in Britain are a conscientious and caring lot. If costs rise during a production, even because of labour or material increments covered in the contract, more often than not the rise will be absorbed. Rarely will a production company fail to deliver at the original contract price, what ever the contract says, unless there have been exceptional circumstances precipitated by the sponsor.

The budgeting of a film is an inexact science, and in practice the average producer uses experience and intuition as

simply because it just does not fit into the whole very well. And in spite of the absence of a bad weather clause, most producers will still keep a unit waiting or go back for a second time in order to get the right weather if it is really important to the film.

ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the Box Office.

THEATRES

RAYMAKER. 830 3832. 8.50, 8.00. Wednesday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

ROYALTY. Credit Cards. 01-405 8004. Monday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SAVOY THEATRE. 01-438 8888. Credit Cards. 01-438 8888. Tuesday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Wednesday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Thursday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Friday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Saturday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Sunday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Monday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Tuesday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Wednesday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Thursday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Friday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Saturday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Sunday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Monday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Tuesday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Wednesday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Thursday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Friday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Saturday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Sunday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Monday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Tuesday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Wednesday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Thursday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Friday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Saturday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Sunday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Monday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Tuesday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Wednesday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Thursday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Friday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Saturday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Sunday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Monday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Tuesday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Wednesday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Thursday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0.00.

SHAKESPEARE. 01-438 8888. Credit Cards. 01-438 8888. Friday. 8.50, 8.00, 7.50, 7.00, 6.50, 6.00, 5.50, 5.00, 4.50, 4.00, 3.50, 3.00, 2.50, 2.00, 1.50, 1.00, 0.50, 0

Record Review

Spinsters and storytellers

by ANTHONY CURTIS

The Mind of Emily Dickinson, readings from her letters and poetry by Glenda Jackson; Argo ZSW 600/1.

Glenda Jackson reads *Stevie Smith*; Argo ZSW 608.

Laurie Lee reads from *"Cider with Rosie"*; Argo ZSW 593-5.

Oscar Wilde *Children's Stories*, read by Robert Morley; Argo ZSW 547/8.

Angela Rippon reads *Black Beauty*; Argo ZSW 611/2.

Jules Verne reads *Journey to the Centre of the Earth*; read by Tom Baker; Argo ZSW 565/6.

Anyone who saw the one-woman show some months ago by Julie Harris, *The Belle of Amherst*, in which she held the stage for a couple of hours in a white dress as Emily Dickinson should try to get hold of the latest spoken word album from Argo. Here Glenda Jackson reads a full selection of Emily's poems and letters in *The Mind of Emily Dickinson*. The voices of both actresses are well attuned to the quintessential, appallingly direct and naive manner of the poet who wrote:

*I'm Nobody! Who are you?
Are you—Nobody—Too?
Then there's a pair of us—
Don't tell! they'd advertise
—you know!*

*How dreary—do be—
Somebody!
How public—like a Frog—
To tell one's name—the
living-living!*

To an admirer's Bog!

Someone both managed to get the sequence of dashes, exclamation and question marks of which the above is typical, into their intonation of the words. Miss Harris was performing a play and therefore she had to build up the personality of the eccentric spinster aunt in her domestic setting as the daughter of a successful authoritarian Congregationalist Massachusetts lawyer, rake-making, churchgoer as well as poetry-writing. And naturally she made much of the dramatic possibilities in her one meeting with T. W. Higginson, the editor in whom she had submitted her poems and corresponded with over the years without him ever publishing them. In fact Emily published almost nothing during her lifetime. Nonetheless she wrote industriously in the intervals between family duties, writing for its own sake.

It is this dedicated side of what Higginson called her "half-cracked poetess" that emerges so strongly in Miss Jackson's calm, intelligent and moving utterance of her remarkable poems. They are dovetailed with extracts from Emily's letters to her "Master", a Brontë-like character who has never been identified satisfactorily—and to others about such topical matters as the deaths caused in their circle by the Civil War. There is no linking narration or commentary or indeed anything to suggest where one piece ends



Tom Baker and Glenda Jackson

and another begins beyond the list of items in the sleeve notes. This is at first rather puzzling but one soon adjusts to it and when one does the concentration of the records on Emily's inner life which was so intense and so uncomplicated is both satisfying and illuminating. As Higginson put it after his encounter with her: "I was never with anyone who drained my nerve power so much."

We do not get many authors of quite such uncompromising seriousness on these Argo speech records although there is Emily's English counterpart, Stevie Smith whom Miss Jackson has successfully impersonated on the stage and whose verse she has also now recorded. But for the most part it is children's classics, or highly popular works like *Cider with Rosie* read in his inimitable way by the author, in which the Argo team and their material. With these spoken lollipops, they indulge in a moderate, acceptable amount of jazzing up, music composed by Kenny Clayton to act as chapter headings, and occasional sound effects and echo-chambers particularly apt for Jules Verne.

Above all they seem to have a knack of getting hold of a performer normally of safe calibre who is absolutely right for the work. You could not for instance have a better interpreter of the children's stories by Oscar Wilde than Robert Morley. Their fastidious humour in the minutiae of the original has been done more or less invisibly.

Wilde is at his most sentimental, as when the poor nightingale is giving her heart's blood to make the rose red for the student to give to his ungrateful love.

Again the slightly prim but clearly enunciated tones of Angela Rippon turn out to be most appropriate for the text of *Black Beauty*. It is claimed that this was the first novel to be written from within the consciousness of an animal and thus the precursor of Richard Adams and the rest. Certainly whoever reads it must blinker themselves to a restricted outlook and this Miss Rippon does admirably over two LPs which a great many little girls are going to enjoy enormously.

Before the invented science fiction Jules Verne tried to be a playwright like his friend Alexandre Dumas fils which may be the reason why his stories have such a firm dramatic outline. This comes out strongly in *Journey to the Centre of the Earth* read by Tom Baker in a Don Norman production from the mad old explorer Professor Lidenbrock and his young nephew allows Tom Baker to change voices which he does most entertainingly; and their hazardous journey below the earth's crust still retains its magic even in our much more scientifically knowledgeable era. The suspense is well sustained over four sides. Here as elsewhere the curtness of the original has been done more or less invisibly.

Wembley Arena

Joan Baez by ANTHONY THORNCROFT

For someone who, as she pointed out at the Wembley Arena on Sunday, has been tuning her guitar for 22 years, Joan Baez is still a very tense performer. It is probably because she carries the conscience of the world on her bowed shoulders, as well as the burden of an exhausting affair with Bob Dylan, that she finds it hard to relax. The trouble is that her stiffness rather freezes an audience, leading to an uncomfortable concert—at least for the first hour.

You can admire her commitment and appreciate the sentiments in her political homilies detract from her magnificent voice. There is no need to read the newspapers with Joan Baez bringing us up to date on the latest Arab terrorist attack in London, as she distinguishes between good and bad Palestinians. And then there is a report on her visit to the Sakharovs and other Russian dissidents in Moscow. It is quite a relief to get on to her other hobby-horse, Dylan. She sings his more earnest songs, like "Love is Just a Four-Letter Word," singing his voice in some verses. She then gives a personal account of the relationship which would have been too indiscreet for the News of the World.

But when Joan Baez unaffectedly sings Leonard Cohen's "Suzanne," much is forgiven. Her voice has grown even grander with the years—rich, warm, and expansive. Her choice of song is appropriately emotional and universal. There is no doubting her sincerity and



Joan Baez

her talent, only her capacity to entertain.

Joan Baez in the stark, baggy-like depression of the Wembley but scarcely to enjoy.

Arena, is a singer to admire, to appreciate with the mind, rather than the heart, to want to like, but scarcely to enjoy.

Fine Art

Botticelli and the Florentine connection

by DENYS SUTTON, Editor of Apollo

Love for Sandro Botticelli has long been an English speciality. In 1865 that admirable connoisseur, Sir Henry Layard reported from Florence to Lady Eastlake that Millais had been excited by Botticelli's *Primavera* in the Uffizi and that he and Millais had gone with Baron Humbert to see the Nastagio degli Onesti panels then in Palazzo Pucci. They were for sale and both Layard and Millais were keen that Eastlake should secure them for the National Gallery of which he was then director. But this was not to occur.

A year earlier, Crowe and Cavalcaselle had brought out *A New History of Painting in Italy* in which for the first time a systematic attempt was made to list Botticelli's works. This famous history was known to Walter Pater, who, in 1870 published his brilliant essay on Botticelli. Pater was a friend of Herbert P. Horne, who became the leading authority on the Florentine master.

Horne is an intriguing character who could turn his hand to many different things. He was an excellent, if derivative, architect and designer (the first cover for the *Burlington Magazine* was due to him) and in his London days he mixed with poets such as Arthur Symonds and W. B. Yeats. His most enduring contribution was as a connoisseur of Italian art, and he

bequeathed his collection and his austere palace to Florence. His book on Botticelli, of which only the first volume appeared (1908), was a major study, but not without faults. It contains many useful documents and valuable information, but it is hard to read and it lacks an index. His researches have provided the basis for further study of the artist and it is fitting that another Englishman should follow in his footsteps.

Ronald Lightbown has produced in *Sandro Botticelli* (Paul Elek, 2 vols., 1968) a splendid monograph which must be fitted into the long and fruitful history of the cultural relations between England and Florence. That Mr. Lightbown, who is Keeper of the Library at the Victoria and Albert Museum, should have taken this particular artist as his subject is also a reminder of the tradition of the connoisseurship of Italian art associated with this institution.

The book possesses in the best sense of the phrase an "old fashioned" character; the author does not obtrude himself, nor does he propose extravagant sexual or political interpretations. He writes a good, plain English that would have appealed to Horne or Fry or Langton Douglas, and there is even a Victorian echo to be detected in his prose. We know where we are with Mr. Lightbown: it is because he avoids gimmicks that

his commentaries are convincing. It is no easy matter to write about Botticelli and an author who does so requires to know about Florentine social and family history—that of the Albizzi, the Bardi, the Pucci and the Tornabuoni as well as the Medici, Renaissance and classical poetry and religious and political matters. Mr. Lightbown has these subjects at his command, and his delight in the Florentine world of the Renaissance places him among a group that numbers Jacques Mesnil and Aby Warburg and, in more recent times, André Chastel and E. H. Gombrich.

One of Mr. Lightbown's achievements has been to keep a balance between iconography, the history of art, and art criticism. His accounts of his hero's paintings are sensitive and welcome sign—he writes about the colours, thereby indicating that he has looked at pictures rather than photographs of them!

Mr. Lightbown is informative about Botticelli's early training under Filippo Lippi, his relations with the Medici, his concern with Dante's poetry, the influence of Savonarola on him and about the function of the pictures. He has, for instance, been able to take advantage of the newly published inventories

of Lorenzo and Giovanni de' Medici which show that the *Primavera* was painted for their town house in Florence and that it was placed in the chamber next to Lorenzo's bedroom.

The author's analysis of this celebrated painting reveals much about the relations between patron and artist and of the Renaissance mind. Mr. Lightbown notes that the motif of the round dance of the graces was known to the Renaissance both from ancient works of art and from literary descriptions. It is not entirely fanciful to see an echo of these sources in certain works of Munch and Matisse.

Mr. Lightbown's conclusions about Botticelli's secular paintings are important; he feels that in his mythological works the artist "embodied an ornamental quality of myth."

One observation of Mr. Lightbown's deserves study. He claims that from about 1487 the "vivifying naturalism" of Botticelli's art dwindles at times in his larger pictures; he suggests that "the languidness of pure effect that results captivated the aesthetes of the late nineteenth century, who admired in it an exquisite narcissism of style, an anticipation of their own religion of beauty." One aesthete, who adored Botticelli, was Swann; Proust makes him order Odette a scarf and a gown still go hand in hand.

identical with those in the *Magnificat* and the *Primavera*. Swann's passion for Odette, in fact, crystallises "when he finds that she looks like a woman in Botticelli's pictures. This should always be remembered when we try to put a face to a character in Proust's novel."

Mr. Lightbown's book will stimulate discussion about Botticelli and the Florentine art of his time, for instance, the extent of the influence exerted by Northern painting on him and his approach to the Antique. This careful volume presents the portrait of an artist whose aim, in accord with humanist aspirations, was to "recreate the vanished perfections of ancient paintings, and to rival great works of poetry in significance and eloquence of representation."

The catalogue is sensibly arranged: the author makes a clear distinction between autograph works and those done in the workshop. It is also easy to use. It so happens that for my own purposes, I had been anxious to trace two paintings once owned by Langton Douglas. I found them rapidly and, as a bonus, was rewarded with another—the portrait of Dante.

It is a pleasure to welcome Mr. Lightbown's book, which is excellently designed, and to see that elegance and tradition can still go hand in hand.



Botticelli's 'Venus and Mars' from the National Gallery collection

New York art

Pastiche, parody and photographs

by FRANK LIPSUIS

The Whitney Museum in New York gives evidence in two current shows of having found another method to draw the masses to its galleries. Instead of trying to make art popular, it makes the popular into art. What alchemical process is involved, one may well ask. Well, ask all you want, but the imprimatur of a respected institution serves enough notice to the world that the sacred vessel of art has leaked a bit more and sunk further into the polluted sea of visual information around it.

Saul Steinberg has long been popular as a New Yorker cover artist. One cover, "View of the World from 9th Avenue," has been turned into a poster being sold on practically every street corner in New York. The lower Manhattan before the Hudson River, a narrow band represents New Jersey. Then the United States with landmarks like Chicago, Las Vegas and Los Angeles is squeezed between Mexican and Canadian borders on either side. The Pacific Ocean intervenes and puts China, Japan and Siberia in the far horizon. The rest is skyline. New Yorkers love his cartoon.

Steinberg stopped being a cartoonist and became an artist when the Whitney made his retrospective show and the catalogue became a big, handsome book written by Harold Rosenberg—not surprisingly the New Yorker art critic before his recent death. And no doubt about it, Steinberg is clever and prolific. He draws landscapes with rubberstamps where a sun would be. He draws art deco structures like the Chrysler Building surrounded by various symbols of art and urbanity. He takes an art-catalogue-like photograph of a piece of ornate furniture and draws little streets and people around it, as though it

were a monumental piece of architecture. He fakes documents as, apparently, he faked a passport stamp to get out of his native Romania during the war.

Together like this, a cat bicycles over the bridge separating March and April on a road signpost to summer.

If art is to be popularised, Steinberg is just the person to let others enjoy the whimsy and accessibility of it.

Another Whitney show goes beyond whimsy to let the audience laugh with artists at the very idea of art. Almost 20 years before punk musicians started mocking the pretensions of rock 'n' roll, pop artists were taking the mickey out of art. The most represented artist in the show, Roy Lichtenstein, captures the spirit of the place with his cartoon-character old man exuding a lifelong, child-like fascination with cameras and pictures. It was a marvellous evocation of an age long since disappeared when new technology held its own interest and the world had not yet been inundated with its products.

Such an age is on display at the Asia House Gallery where 130 vintage photographs re-create life in Imperial China in the years 1844 to 1912. Though few photographers ventured that far, three who did (and are featured in the exhibition) concentrated in complementary areas: together they provide a comprehensive view of an ancient civilisation hardly touched by modernity.

M. Miller, who eventually disappeared, had a commercial studio in Hong Kong where wide-eyed prosperous Chinese stared at his camera with blank expressions, as though not knowing what to expect. Unlike Miller's one portrait of a westerner, taken from fob watch to head, the Chinese appear from foot to head, displaying a demure reserve, feet together and hands either held in their laps or hold-

ing a fan while an elbow rests on a small table adjoining the sitter's chair.

Felix Beato, who travelled throughout Asia at the end of the past century and settled in Burma, was the official photographer of the Anglo-French North China Expeditionary Force, documenting its movement inland. He specialised in large murals of several photographs matched together; one of them shows the first boats landing on the marshy shores of an empty Kowloon, soon to become one of the most densely occupied places on earth.

John Thomson arrived later than Beato and Miller and consciously filled in the middle ground as it turned out to be, quite literally—between his predecessors. His illustrations of China and its people, a four-volume photographic encyclopedia of Chinese landscape, life and culture, covers domestic scenes like Hong Kong shops and landscapes in Cantonese gardens, as well as portraits of peasants. Instead, critical faculties are some of them grouped together focused on making what look like a dozen Chinese hairstyles. He carried his chemicals snapshots around special. Sol with him and did the developing. On the spot, as he himself described: "My impedimenta required for its transport a retinue of from between eight to 10 bearers, frequently men of evil repute, and dangerous to man."

The practice of such a wet-collodion process in a country where one had to prepare chemicals from raw material implied difficulties to the modern photographer, and in no way was lessened by having to work among a people hostile to foreigners.

In those days a professional was a man with a camera who could develop his own film. The progress of technology, alas, threatens the unselfconscious artisan and turns him into just another amateur. If he is not careful.

Intending to set standards by which photography would hence-

forth be judged, the Museum of Modern Art, which has been collecting photographs for 40 years, recently opened a show called *Mirrors and Windows*.

The title and the show document the turning inward of the photographic profession, a difference between "self-expression" and "exploration," as the catalogue introduction notes in a long essay that falls dangerously close at times to Pseudo Corner. No doubt, with the demerit of magazines like *Life* and *Look*, American photography lost an essential function in bringing the world to people's living rooms (now of course provided by television).

So in taking out a new course, photographers for a while that, as in a Joel Meyerowitz volume photographic encyclopedia of Chinese landscape, life and culture, covers domestic scenes like Hong Kong shops and landscapes in Cantonese gardens, as well as portraits of peasants. Instead, critical faculties are some of them grouped together focused on making what look like a dozen Chinese hairstyles. He carried his chemicals snapshots around special. Sol with him and did the developing. On the spot, as he himself described: "My impedimenta required for its transport a retinue of from between eight to 10 bearers, frequently men of evil repute, and dangerous to man."

The practice of such a wet-collodion process in a country where one had to prepare chemicals from raw material implied difficulties to the modern photographer, and in no way was lessened by having to work among a people hostile to foreigners.

In those days a professional was a man with a camera who could develop his own film. The progress of technology, alas, threatens the unselfconscious artisan and turns him into just another amateur. If he is not careful.

Intending to set standards by which photography would hence-

forth be judged, the Museum of Modern Art, which has been collecting photographs for 40 years, recently opened a show called *Mirrors and Windows*.

The title and the show document the turning inward of the photographic profession, a difference between "self-expression" and "exploration," as the catalogue introduction notes in a long essay that falls dangerously close at times to Pseudo Corner. No doubt, with the demerit of magazines like *Life* and *Look*, American photography lost an essential function in bringing the world to people's living rooms (now of course provided by television).

So in taking out a new course, photographers for a while that, as in a Joel Meyerowitz volume photographic encyclopedia of Chinese landscape, life and culture, covers domestic scenes like Hong Kong shops and landscapes in Cantonese gardens, as well as portraits of peasants. Instead, critical faculties are some of them grouped together focused on making what look like a dozen Chinese hairstyles. He carried his chemicals snapshots around special. Sol with him and did the developing. On the spot, as he himself described: "My impedimenta required for its transport a retinue of from between eight to 10 bearers, frequently men of evil repute, and dangerous to man."

The practice of such a wet-collodion process in a country where one had to prepare chemicals from raw material implied difficulties to the modern photographer, and in no way was lessened by having to work among a people hostile to foreigners.

In those days a professional was a man with a camera who could develop his own film. The progress of technology, alas, threatens the unselfconscious artisan and turns him into just another amateur. If he is not careful.

Intending to set standards by which photography would hence-

Delta Flight 11.

Daily non-stop between London and Atlanta, Georgia.

Only Delta Air Lines flies non-stop between Gatwick Airport and Atlanta, Georgia, capital of the U.S.A.'s Southeast. Delta Flight 11, a Wide-Ride L-1011 TriStar, leaves London at 1210 and arrives in Atlanta at 1625 every day. Flight 11 continues on to New Orleans, arriving at 1845.

From Atlanta, it's just an easy Delta-to-Delta connection to any of 50 U.S. cities. No other transatlantic carrier offers as many connections with no change of airline. For information and reservations, call your Travel Agent. Or call Delta in London at (01) 668-0935, Telex 87480. Or call Crawley (0293) 517600 at Gatwick Airport, Horley, Surrey, RE6 0DE. Delta Ticket Office is at 140 Regent Street, London, W1R 6AL.

| London-Atlanta Peak Season Fares | |
|---|----------|
| Budget or Standby Single Fare | £586.00 |
| Peak APEX (Advance Purchase Excursion) | |
| Return Fare | \$260.00 |
| 22-45 Day Peak Excursion Return Fare | \$307.00 |
| Regular Peak Economy Single Fare | \$236.00 |
| Regular First Class Single Fare (Good all year) | \$367.50 |
| All fares subject to change without notice. | |

Delta's Super Saver Fares. Save up to 50% on flights within the continental U.S.A.

It's the travel sale of the decade. You can save 40 to 50 per cent off regular round-trip Day Economy Fares with Night Economy Super Savers to most Delta cities. And 30 to 40 per cent off with daytime Super Savers to all 85 Delta cities in the continental U.S.A. Naturally, there are some qualifications. Call Delta or your Travel Agent for details. **DELTA**

Delta is ready when you are®

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantime, London F54. Telex: 888341/2, 883887
Telephone: 01-248 8000

Tuesday August 22 1978

Reducing the tax burden

AT A TIME when the campaign for our still undated election is already underway, especially in over-interpretations of every economic field, with rural routine figure, the political market in fact is near a standstill. Like the woman in the story, the parties have made up their minds. Voters who are still trying to form their own judgments will by contrast be more than usually ready to welcome any genuinely non-partisan evidence: and a new OECD study of what promises to be the central issue for several elections—public expenditure and taxation—is most welcome.

Poor country

As might be expected, this study deflates the rhetoric on both sides. In percentage terms, Britain is neither unusually spendthrift nor unusually heavily taxed. In real terms, we are very far indeed from leading the world in any aspect of welfare. It is only when it is remembered that we are a poor country by OECD standards that it becomes easy to understand why we fuss so much and achieve so little. It is harder for a poor man or country to spare a quarter or more of his income than a rich one, yet that quarter will buy much less. Our welfare services may well be in a slummy state, as doctors, teachers and lobbyists complain, and at the same time more lavish than we can well afford.

The OECD first pointed out some six years ago that public expenditure in all member countries was tending to outpace national income, and warned of the inflationary dangers. The present study suggests why this warning was ignored, but may be heeded now. The growth of public spending throughout the developed world, regardless of the political philosophy of the ruling parties, has been a response to a strong and insistent public demand, and a creditable one. Decent standards of health care, education and housing, and the provision of a reasonable minimum income for the old and the unemployed have been among the objectives of every government that could afford to meet these demands, as well as some to whom ambition ran ahead of means. British spending is abnormally high only on defence—a measure of our

Pensions

To meet the demand for lower taxes, the OECD suggests two possible escape routes: a greater readiness to charge for some public services (people are ready to pay for a personal benefit than for a national one) and possibly a greater long-term reliance on borrowing. State pensions at least might be appropriately financed out of savings rather than income, as private pensions are. The study also, however, suggests implicitly that the UK must try harder than other countries. It is not until our real income approaches the average for the OECD that we will be able without undue suffering to afford the average percentage spending on welfare; and in the interim, something near a real standstill in public expenditure could certainly help to bring that day nearer.

Soviet aims in Eritrea

THE WAR in the Horn of Africa is building up to a new climax. Ethiopian forces have in the past few weeks almost totally transformed the military situation in the Red Sea province of Eritrea by recapturing all but one of the major towns held by the guerrilla groups who have been fighting for independence for a year and a half. Now they are encountering heavy resistance as they approach the guerrilla held town of Karen but if it falls the way will be open for an Ethiopian attack on the Eritrean guerrillas' remaining base areas and to securing the hinterland of the strategic port of Massawa, a large part of which was held by guerrillas until a few weeks ago.

Shipping

That would be a long way short of establishing full government control over Eritrea, but it would probably be enough to allow the Soviet Union to enjoy reasonably secure naval facilities at Massawa, which it clearly wants. That would put it close to the Red Sea shipping lanes and not far from the coast of Saudi Arabia, the world's largest oil exporter.

After some initial misgivings the Soviet Union helped Ethiopia with advice on strategy and logistical support in the use against the Eritreans of the large amount of equipment it supplied for the successful campaign against Somali forces in the Ogaden region earlier this year. Cuban forces may also be playing an unobtrusive role, and the sheer weight of numbers of regular troops and militia, their superior equipment and the fact that Eritrean resources were stretched by the need to defend a fair number of towns appear to have been decisive so far.

The loss of the towns is an even greater psychological blow to the Eritreans than their capture last year from government forces was a boost, and they can no longer claim to have the majority of the Eritrean people under their administration. But if Keren were to fall that would only conclude one phase in the

Anxiety

The Eritreans will certainly be reluctant to accept peace terms after such a long and cruel struggle. While Soviet influence is at its height in Ethiopia there will be every incentive for the conservative Arab states especially Saudi Arabia to maintain their support for the Eritreans, while Iraq and Syria, which see the Eritrean struggle as part of a pan-Arab campaign, have their own reasons for doing so. The Somali-populated Ogaden region is still the scene of considerable guerrilla activity. The Soviet Union cannot expect its involvement in Ethiopia to be trouble-free, but that may be a price worth paying for the anxiety its presence there inevitably causes the west.

Lessons for the Shah from the Abadan cinema attack

By ANTHONY McDERMOTT In Tehran

AN ANONYMOUS man in a brown suit abandoned his job as cheerleader for the Shah's cause in Isfahan at a parade last Saturday, held to celebrate the Shah's return from a brief exile in Rome 25 years ago. The episode occurred only a few hours before the firebomb attack on a cinema in Abadan and helps one to understand the atmosphere in Iran that made the deadly attack possible.

The man was standing below the dais on which major-general Reza Najafi, the martial law commander of Isfahan, was taking the salute. As groups of workers, shopkeepers, scouts and others stepped past, carrying banners and pictures of the Shah, the Empress, and of Crown Prince Reza, he would urge them to shout pro-government slogans. In some cases, notably the hard-hatted workers, the rhythmic cries and waving hands were already going strong well before the stand was reached. But mostly the man in the brown suit received a reluctant response to his urgings for cries of Fadesha and for fists to be raised in salute.

And so half way through the parade, he left. Meanwhile the paraders—who noticeably did not pass down Chahar Bagh-e Abbasi Street, where a week ago Isfahanis clashed with the security forces and many shops were damaged—rounded the first corner to hand over their banners and pictures of the royal family to men on the back of a lorry conveniently placed nearby. The crowds watched impassively.

It is not surprising that the general reaction in Isfahan should have been patently lukewarm to a clearly organised demonstration of support to the Shah. For just at the time when the Shah was announcing that, as part of his liberalisation programme elections would be held next July, Isfahan had become the first city to be placed under martial law for a quarter of a century.

Although the spate of violence which has been sweeping across the major urban centres of Iran for the last nine months has not been uniform in all the regions, what is happening in Isfahan has been deeply symptomatic of the problems of Iran as a whole. The immediate conclusion must be that the Shah and his Government are not threatened, but that their authority is gradually being weakened.

The trouble, in the short-term, started in Isfahan with a religious leader, Ayatollah Taheri, initially an itinerant preacher, who built up a considerable following in the outskirts of the city to the point where tape recordings of his sermons were circulating freely. He eventually was given charge of a small mosque in the southern Hosseiniabad sector of Isfahan where workers coming

from the rural areas first reach the city. In May he was arrested and sentenced to two months' internal exile to Hamadan.

On his return he became increasingly unrestrained in his pronouncements calling for the death of the Shah, the overthrow of the Government, and the restitution of the amendments to the constitution of 1906 under which a committee of five Ulama (learned theologians) would have the right to pronounce on the validity of laws in the light of Shi'ite religious precepts. His re-arrest on July 31 led directly to the rioting which resulted in the imposition of martial law.

His mantle of religious leadership fell on Ayatollah Hossein Mosavi, who lives in a northern part of the city, off Mohammed Reza Shah Pahlavi Street, and close to Chahar Bagh. Taheri's followers took up residence around his house, even pitching tents on the roof, and turned the immediate area around his house into a no-go zone for the government authorities. There is strong evidence that he attempted to restrain his followers from moving in, but his appeals were to no avail. Eventually major clashes took place both in the main street and in the rabbit warren of alleys behind. As a result several people were killed or injured and much damage to property was done. On August 11, a Friday and hence a Moslem feast day, martial law was declared.

The Shah and his senior ministers have blamed the rioting in Isfahan on Communists and a paradoxical mixture of "Islamic Marxists". That refers to the exploitation by the "Red Revolution", meaning Communism, and by the conservative "Black Revolution", meaning the religious groups, with their common aim of ultimately overthrowing the Shah.

But the fact is that the causes for unrest in Isfahan run far deeper than machinations by "red" or "black" revolutionary groups. The primary factor is economic. Isfahan is the fastest growing industrial region in the country. In the past five years its population has doubled to more than 1m. The main areas for employment are the Bell Helicopter Centre, a large air-training base, a steel mill, and textile and oil projects.

The bulk of the new population has come from village workers. Initially, they found they were earning more than ever before, but inflation and the lack of cheap housing has caused disillusionment which was fuelled by the Government's claims earlier that growth and progress towards what the Shah calls the Great Civilisation was a continuous process. As a result discontent has grown up



Women weeping yesterday after mourning ceremonies held in Abadan for the 377 victims of Saturday night's cinema fire.

which has not been difficult for the religious leaders to exploit.

They have made much play of the erosion of traditional Islamic virtues under the impact of over-rapid industrialisation, and of the material progress that Iran has made in terms of per capita income, the number of students, of cars, and of wheat production over the last 25 years. But there are several factors to be taken into consideration in the clash between the religious leaders and the State. Firstly, it is a question of political influence.

Unorthodox branch

It is generally accepted that Mr. Jamshid Amouzegar, the Prime Minister, has not shown any enthusiasm for making contacts beyond the secondary levels with the religious leaders. This criticism reflects the realisation that because the religious community of the Shi'ites—an unorthodox branch of Islam—makes up about 90 per cent of the population, opposition based on the Ayatollahs and Mullahs, the religious leaders, is potentially far more damaging than that of students and intellectual dissidents.

Secondly, when the Shah is talking to visitors describes the religious reactions as those of "a lot of Mullahs pining for the seventh century," he is giving a simplistic picture. Iran, like Saudi Arabia, is a society under-

going painful and rapid change as a result of the swift inflow of oil money. Thus, when expectations fail to be fulfilled as economic development slows down, Iranians have looked both for solace and for targets to attack, and have found both under the direction of Islam. Thus in Isfahan they turned on banks, drink shops, cinemas (and besides the one in Abadan, cinemas have also been attacked during the past week in Tehran, Mashhad, Shiraz, Rezaieh and Kerman), and on shops obviously connected with the west, such as Kentucky Fried Chickens. Thirdly, for as long as freedom of expression had been suppressed, religion became a natural outlet through which to express the frustrations of the present—which religious leaders may have tried to present as a yearning for past values.

There remains the crucial question why the Shah decided to embark on liberalisation and risk the sort of disorders he is facing today. So far "liberalisation" has meant more freedom for newspapers, more public debate about and criticism of the Government (but not of the Shah himself), less overt surveillance of potential opposition, and a curtailing of the operations of SAVAK (the State security organisation). The reasons for relaxation are various.

First, President Jimmy Carter, although in agreement in economic and political terms with Iran, disapproved of the Shah's civil rights record.

Secondly, there was a feeling that having experimented with a two-party system, and then through Rastakhiz (since March 1975) with a one-party system, neither of which was truly successful (indeed, Rastakhiz might well divide into three different groups in the elections promised for next July), the Shah felt it was worth experimenting with a system which might turn into a pluralist democracy.

Alternative source

Thirdly, the Shah is thinking of the succession of the Crown Prince, Reza. The Shah is undoubtedly aware that the old system under which he recently admitted, SAVAK had become a government within a government, could not continue. Thus he had to seek a means of creating institutions which would boost the standing of parliament and of Ministers, and which would ultimately provide a foundation on which his son could build his authority. But the real development of such an alternative source of authority is totally alien to the way in which Iran has been ruled since the Shah was appointed to succeed his father. There lies the weakness: which opposition groups have been trying to exploit.

Firstly, after many years of suppression of speech and of more violence which could test the extent to which it is believed that the Shah means authority has been diminished.

MEN AND MATTERS

Logging the jams on the lines

The Civil Service is playing coy about a fierce memo that has circulated to a number of my Mandarin friends on the subject of telephones. It begins: "Computer print-outs are now available . . . repeats the standard warning about the rarely-observed rules on personal calls, and is calculated to strike terror into the heart of any humble Executive Officer calling his grumpy in Glasgow."

The Civil Service Department was anxious to assure me first that the memo did not exist, then eventually that there is to be no witch-hunt. "It's just good housekeeping," said a spokesman, who mentioned that the CS telephone bill was running at £50m a year.

Automatic Switching Ltd., who lease the CS their TNA2 logging system, is proud of its effectiveness. Its Swiss-born director Mrs. Delia Robson-Hager said it had caught out an internal bomb-hoaxer some years ago: "He wanted the day off so he usually telephoned the threats on Fridays or in the morning."

But she was reluctant to talk about the CS contract: "It's very very touchy."



the better-known Tiger, a computer-linked system, tells me that even though personal calls generally account for only 5 per cent of telephone costs, the effect of their system is dramatic in reducing long calls—irregular or otherwise—at peak times. "I only know of one company that has saved less than 20 per cent," says Minister's regional sales manager, Ian Guthrie.

Asking nicely

Trevor Abrahamson, 23-year-old managing director of one of London's more thriving estate agents, Gentree Estates, is fond of recounting the meteoric rise of his company and of himself. Abrahamson, in his quest for publicity, has overstepped even his usual limits with his latest Press release. Entitled "Would You Like To Borrow A Cup Of Sugar From Neighbours Susan Hampshire And Leonard Rossiter?", it suggests that this

might be an appropriate activity for anyone buying 1, Billing Place, "a quaint yet trendy Georgian Mews house oozing with character" and a snip at £73,950.

I asked him if he had mentioned this sales tactic to the talented Miss Hampshire, an actress who is secretive enough to list her address as c/o the Midland Bank. "Well, no, I didn't approach them because, well, what can you say? 'I want to use your name'."

No. The irrepressible Abrahamson was lost for words, but he soon found them again and was telling me that in 24 months Gentree had sold £24m-worth of property. If Miss Hampshire is out of sugar to lend to her new neighbours no doubt the Rossiters will oblige—if asked nicely.

French courtesy

One can only bow to the sense of fair play being displayed by the French gendarmes. Tough new drinking and driving laws have just been introduced but, in order to soften the impact on coddled French palates, the gendarmes are announcing in advance just where and when they plan to stage a breath-alysing blitz.

Alcohol is blamed for a large part of the heavy road toll in the home of Bordeaux and Burgundy but until now drivers have only been tested after accidents. Now the police are bending over backwards to make their random tests "preventive rather than repressive."

The new penalties are stiff. One of the three drivers caught in Alsace, admittedly after seriously injuring the driver of an oncoming car, received two weeks' imprisonment, a minimum 18 months' suspension and a £350 fine.

The police say that there has been a sharp increase in the number of women drivers—which has led local male chauvinists to question whether the roads are really any safer. Now the police have descended on Paris. They gave four days' notice but they need hardly have bothered. In August there are few people except for tourists in the city, few cars in the streets and few open bars.

New chew

As we reported last week, the British are pioneering sales of disco machinery to the Soviet Union. That penetration of the communist pattern of living by one of the more raucous aspects of the west is being arranged quietly—in marked contrast to the flourish of trumpets which accompanied the deal to sell Coca-Cola at the Moscow Olympics.

More quietly, but also with the seal of approval of the Soviet foreign trade ministry, a West German company, Loesch, is setting up three chewing-gum factories—in Armenia, Estonia and Moscow itself. So in the land of Lenin a new era is again dawning, of the age when the model member of the Young Communist League will be able to drink Coke, chew gum and listen to Sid Vicious.

Observer

GENERAL

THE GENERAL ENGINEERING GROUP OF COMPANIES

The 41st Annual General Meeting of the Company will be held at Radcliffe, Manchester on 13th September, 1978.

Highlights from Chairman's Review

- Decline in world demand and late orders were main causes of Group trading loss together with maintaining full labour complement at a cost of £680,000.
- High technology economic manufacturing process products will maintain the Group in its traditional market position in the future.
- With a forecast turnover of £12M the Group should return to profit in the second half of the current year after reorganisation of physical assets and human resources.

| Group Results in Brief: | | 1977 | 1978 |
|-------------------------------|---------|--------|-------|
| Turnover | £'000 | 10,241 | 9,173 |
| Trading (Loss) Profit | £'000 | 823 | (214) |
| Interest | (£'000) | (214) | (298) |
| Taxation Credit (1977 Charge) | £'000 | (189) | (383) |
| Profit after tax | £'000 | 440 | 80 |
| Earnings per share | p | 3.74p | 0.42p |
| Dividend per share | p | 0.95p | 0.33p |
| Tangible assets per share | p | 27p | 31p |

Full Report and Accounts available from the Secretary, Bury Road, Radcliffe, Manchester.

Energy from the grass roots

By DAVID FISHLOCK, Science Editor

BLACK SMOKE and fierce flame sweeping over the fields of stubble are a familiar scene in the English countryside once the cereals have been harvested. It gives a hint of the energy content of crops, which some multinational groups are beginning to take very seriously as something that can be made useful.

Interviewed in the Financial Times last week, Mr. Harry Beckers, research co-ordinator for the Royal Dutch Shell group—and, incidentally, a physicist—spoke enthusiastically of the possibilities for "energy cropping." He has asked the Nobel laureate, Professor Sir John Cornforth, formerly with Shell but now at the Royal Society research professor at the University of Sussex, to advise him where Shell should invest in research and development.

Another industrial enthusiast is Professor A. J. Viltos, chief executive of group research and development at Tate and Lyle. He talks of the possibilities of "creative botany" in providing a truly benign and renewable source of energy, using such ideas as trees which take only five years to grow from seed to maturity, and even "genetic engineering" to adapt plants more precisely to produce the fuel or chemical required.

Professor Viltos sees plants as machines evolved by nature for the task of converting and storing solar energy, processes which the physicists and chemists have been trying hard to simulate. Their conversion efficiency—averaging around 1 per cent—may leave something to be desired, but this weakness is much more than compensated by the ease with which plants can be mass-produced cheaply.

The basic principles of energy cropping are already

well-established. Scandinavian countries and Canada use forest wastes—in the form of firewood—as fuel for their lumber industries, which are much less energy intensive than, say, the working of metals. In Malaysia the natural rubber producers have shown how a tree crop can be "tailored" specifically for the production of hydrocarbons. Brazil has extended its sugar and molasses (a sugar by-product) industry to make alcohol (ethanol) by fermentation as a new liquid fuel, under circumstances where the economics seem more favourable than in most other places.

Competitive

A study by the Battelle Memorial Institute has suggested that industrial ethanol could be made from suitable crops for a price competitive with its manufacture from natural gas liquids and that the economics could be further improved if the factory were so organised as to operate round the year, not only during the sugar cane harvest.

In California an old design of gasifier designed to produce low calorific value fuel gas from almost any dry agricultural waste has been operated so successfully on walnut shells that the Diamond-Sunwest walnut factory is installing a 130m Btu per hour gasifier to provide all its energy requirements from walnuts. It reckons the energy cost will be less than half what it pays for natural gas.

It is a way of living off energy income instead of energy capital.

It is simple technology, non-toxic, with properties which readily adapted to developing nations and rural communities. It is essentially non-polluting without sulphur emission or radio-active wastes. It has the possibility of using existing energy conversion machines.

On the last point there are also examples of motor car engines being adapted by major car companies to run on fuels from these unorthodox sources. Saab is to test-market in Finland next year a car developed to run on turpentine from Finland's pine forests. Fuel costs are said to be lower than for diesel, and turpentine offers better acceleration and less noise. In Italy, Fiat is developing its Totem engine, expected to use 80 per cent ethanol as fuel.

Large-scale industrial gasification of wood to make low-Btu gas as a fuel gas or chemical feedstock is still in its infancy but initial U.S. results look promising. Heating values are similar to those of producer gas made from coal—150-200 Btu per cubic foot using air, and 270-330 Btu per cubic foot using oxygen. Because of the moisture content, wood gasification needs no steam and less oxygen, and the gas is almost free from sulphur.

At present most of the 100m tons of sucrose (sugar) that the world produces annually is used in food. But next February the Tate and Lyle group expects to commission a new 5,500 tons-per-year plant at Knowsley near Liverpool, based on research at its Philip Lyle Memorial Research Laboratory near Reading. The plant will convert sugar and fats into surface-active products of the kind normally based on a petroleum feedstock. The sucrose glycerine products of Tate and Lyle are claimed to be biodegradable and completely

grown by short-rotation forestry. One idea is that energy plantations might be established on bog land from which peat has been stripped. Economically successful energy cropping is likely to have as its concomitant a great demand for highly automated methods of harvesting the crop. This is an area which Britain—which has shown great innovative skills in the field of new agriculture machinery—may well find more profitable to exploit than diverting scarce land resources from food to energy.

In areas of expanding population, Sir John Cornforth, says, food will always win in a competition with energy crops for existing land. If it is a question of opening up new land, then the limiting factors inevitably are the cost of providing fertiliser and irrigation. (Here the Irish may be fortunate in having a residue of peat as natural fertiliser as well as a moist terrain.)

Looking ahead to the next century wide vistas open for "creative botany" as an energy source if research is put in hand today. One of the most far-sighted ideas is that of the Californian Nobel laureate, Professor Melvin Calvin, who wants to develop artificial forms of the green leaf, capable of simulating photosynthesis—with efficiencies he believes could be as high as 75 per cent.

Britain has embarked upon a national research programme to try to harness genetic engineering—the manipulation of genes—for the improvement of crops. In what may well be the first scientific programme of its kind in the world, the Agriculture Research Council (ARC) is planning a £1m initial effort over the next three years, to develop for plants the kinds of techniques which have been

used in the improvement of animals. The ARC's secretary, has argued persuasively, include better-quality crops, higher yields, greater resistance to pests and disease, even the ability to "fix" nitrogen or sunlight more efficiently.

To focus on this last example, increasing the efficiency of photosynthesis, it must be recognised that plants are really low-efficiency forms of solar engine. As such they are far less efficient than any heat engine. But if the efficiency of the solar conversion process could be improved just a little by tinkering with genes, the impact upon the cost of energy cropping, if the plant could be equipped with this new capability, would not have enough energy to spare to make any appreciable net gain in its yield.

There is another, less sophisticated approach to the scientific programme planned by the Agriculture Research Council. It is called somatic hybridisation, in which genetically incompatible plant species are fused at a fundamental level to produce a hybrid. Tate and Lyle has taken a close interest in this technique, as a potential



Winter wheat stubble-burning in Nottinghamshire provides a hint of the energy content of crops.

arousing so much controversy as potential means of breeding "improved" people and drugs. Serious possibilities arising from such research within a decade or so, Sir William Henderson, the ARC's secretary, has argued persuasively, include better-quality crops, higher yields, greater resistance to pests and disease, even the ability to "fix" nitrogen or sunlight more efficiently.

There is another, less sophisticated approach to the scientific programme planned by the Agriculture Research Council. It is called somatic hybridisation, in which genetically incompatible plant species are fused at a fundamental level to produce a hybrid. Tate and Lyle has taken a close interest in this technique, as a potential

way of enhancing the yield of sugar cane. Experiments undertaken in Hawaii by the Sugar Planters' Association are showing promise, Professor Viltos says. But again the timescale will be long—up to ten years before the sugar industry can be sure that hybridisation really is yielding a larger crop. Promising, therefore, as energy cropping may be as a way of anchoring a future energy shortage with a "benign and renewable" resource, it does not differ from other energy sources in requiring a very long time to develop and implement it on the scale required to make any serious energy contribution. Moreover the outcome may be less benign than the idea leads one to expect.

An ambitious Californian proposal to grow huge rafts of kelp (seaweed) in the ocean, fed by nutrient-rich deep-ocean water, as sources of methane and chemicals, could release three times as much carbon dioxide into the atmosphere as the combustion of equivalent amounts of fossil fuels. And a Californian ornamental plant called *Euphorbia tirucalli*, discovered to be a rich source of petroleum-like chemicals, exudes an acrid sap which could be a serious hazard during and after harvesting.

Letters to the Editor

Planning for energy

From Mr. J. Dingle.

Sir—It is implicit in the letter from Mr. Granger, and explicit in that from Dr. Castle (August 15), that the planning of energy conversion facilities must, like any other manufacturing plant, be based on markets for their output. I think it worth adding that markets do not just happen, even—or perhaps one should say especially—when they are dominated by few powerful suppliers. They evolve, in volume and structure, and the process of evolution is, in principle and to some extent short of total control, capable of being influenced by people, some of whom may be planners. Energy conversion—hydroelectricity, ethylene crackers and their downstream complexes—is, however, so technically sophisticated and so capital intensive that planning tends to get pre-occupied with questions of the availability of technology and the mobilisation of investment. Of parallel importance is the question of change in the market structure. The lead-time for making (rather than merely responding to) changes in the market structure of existing products of energy conversion facilities is probably at least as long as the lead-time for planning, building and commissioning an energy conversion plant using known technology. If the products or the production routes are novel, the lead-time for market change is likely to be even longer.

It follows that if we want to influence these changes in a way which benefits industrial policy as a whole, we have to start thinking about how to do so not later than when we start thinking about technology and investment—and preferably rather earlier.

In the case of petrochemicals, and particularly thermoplastics, which are the most significant derivatives of ethylene cracking, the problem of how advantageously to restructure the European market in a situation of chronic oversupply, is primarily one of financing the UK's market share. This is a problem firstly of marketing, secondly of technology and investment. In the case of coal conversion, the problem is more complicated because it seems likely that coal might (a) replace some current feedstocks, (b) provide other feedstocks having novel properties, (c) allow the introduction of novel processing routes which will influence the competitive nature of some end-products. Here, again, the first questions are marketing ones.

In both cases it would seem that early attention to the possibilities of effecting constructive changes in market structure could only be beneficial. There is nothing either in the Coal Industry Tripartite Group Research and Development Working Party Report, or in what has been made public of the McKinsey Report, to suggest that marketing questions have been considered in this light, which prompts me to ask if the view of marketing taken by the energy conversion industry as regards strategic planning is not too passive, or too complacent, or perhaps both.

Suite 1, Harcourt House, 18a, Cavendish Square, W1.

Businessmen on TV

From the Deputy Director, External Affairs, Engineering Employers' Federation.

Sir—Anyone who works in the cross-fire between TV producers and businessmen will agree both

with Nicholas Faith's comments (August 7) and with the consequent letters. I am a firm believer that industrialists should miss no reasonable opportunity to state their case, but in their defence three points must be made. Their priorities are different from those of politicians and trade union leaders—rightly or wrongly they rate their management duties as their prime responsibility and more important than going on the box. Their time is usually heavily committed a long way ahead while the lead time for many TV appearances is quite short. One of the reasons for which they join employers' organisations and trade associations is to have their views represented for them.

It is, of course, understandable that producers should prefer people to whom they can "sell" their programmes. Unfortunately, these are the very people who travel most and whose base is often some distance from the nearest studio. While I would not deny that too many industrialists still do not appreciate the importance of taking advantage of the opportunities they are offered there, the Press and radio and seldom fails to produce the sort of spokesmen being sought. We are only approached occasionally by TV and then, all too often, at the last moment.

This isn't pique, but it is a little hard if industrialists are to be blamed for missing opportunities they have not been offered.

N. de Jongh, Broadway House, Tottum Street, SW1.

Underspending on roads

From Mr. S. Leslie.

Sir—The 24 per cent underspend in the Ministry of Defence budget (London August 17) pales into insignificance compared with the Government's management of its road budget. This year's public expenditure White Paper revealed a 10 per cent underspend on the motorway programme, a 10 per cent underspend on the trunk roads programme and a 20 per cent underspend on the current and following financial years. Of course there are numerous circumstances working against the DoT's supposed aim of completing the road programme in line with deplorable Government policy. Mr. William Rodgers, the responsible Minister, readily quotes the reasons: "time needed to complete statutory procedures", "market conditions", "progress by contractors" and the "favourite" bad weather. Judged by the increasing road underspend, Britain's climate is deteriorating at a disconcerting rate.

The real reasons for the slip-slide in the programme and the consequent underspend include: the failure to fulfil correctly the statutory procedures (e.g. A12, A13 section of the M25 which neglected green belt requirements); sitting on inspectors' reports for months and years (e.g. Ipswich, M42, Water Orton section); daily-dailying schemes so much that design staff do twice the work for half the output (e.g. M54); a five month moratorium on new starts (1976-77) which continues to disrupt the balance of the programme.

The effect is that there is now more money than schemes available but once the circumstances working against new starts have

been overcome there will be more schemes than money. What ever happens, the road programme is a disaster. The plans for the late 1980s will be put back towards the end of the century. The remedy—apart from the obvious one of shanking-out the DoT's planning and administrative systems—must be to bring back budgetary flexibility into those parts of public expenditure where the timing of spending remains hard to predict. Thus funds for roads not used one year could be reserved for use the next. This is specifically allowed for in the 1975 cash limits White Paper but so far never applied.

It is to be hoped that whichever Government prepares next year's public expenditure White Paper, this flexibility will be built in. Without it, the road programme approved by Government—and reflecting the needs of society and industry—will be further delayed. As in the case of defence, the money has been voted for specific and necessary purposes. The funds of defence and roads remain the same whatever the underspend. It is quite absurd that the Government should be boxed into this monetary strait-jacket when the country is crying out for by-passes and trunk road links.

S. H. Leslie, (Senior Economist), British Road Federation, 26, Manchester Square, W1.

Advertising works

From the Director, Paintmakers Association.

Sir—Mr. Fletcher's attack (August 17) on the Price Commission's inability to grasp the points about the economics of advertising itself misses a point. That body's report on decorative paint, published last April, contains two statements about

the influence of advertising on costs and retail prices which rebut his claim that the Commission does not understand the subject. On pages 2 and 37 of that report appear these sentences: "effective promotion seems to lead to lower unit production and distribution costs and 'advertising appears to create a level of sales which enables the manufacturer to lower his unit production costs and encourages the retailer to accept lower gross margins'."

Paint manufacturers welcome this evidence that the Commission recognises that advertising works, and works to the consumer's benefit.

R. J. Levett, Paintmakers Association of Great Britain, Alchemic House, 83, Albert Embankment, SE1.

At sea and off duty

From Mr. R. Monroe.

Sir—The article about the "Sealife programme" (August 15) initiated by ship owners and supported by unions focuses attention on the problems not only of attracting people to work at sea but keeping them interested and happy once they have started their career. It is unfortunate that any success this programme may have must, by definition, be limited. Whereas anyone unconnected with shipping might imagine that "Sealife" was connected with life at sea it is unfortunately limited in its scope to working hours only and not to the leisure time of duty. As the latter exceeds the former by a wide margin there is a large gap which those at present involved with the programme do not, apparently, intend to fill.

R. Monroe, Harley Buildings, 11, Old Hall Street, Liverpool.

Exchange rates and trade

From the Treasurer, Campaign for a Competitive Exchange Rate.

Sir—When Samuel Brittain pointed out—in his article (August 17)—on myths about exchange rates—that the price of goods which do and do not enter into international trade can move very differently I thought we had made a convert to our view that exchange rates are determined in all but the short run by the relative cost of producing internationally traded goods and services. This did not however prevent him from reproducing a chart describing a real exchange rate for the dollar based on a comparison of wholesale non-food manufacturing prices, nor from quoting with apparent approval an Organisation for Economic Co-operation and Development study based on unit costs in manufacturing generally.

The point is of crucial importance because informed opinion almost everywhere has been led by the Treasury economists into believing what a little commonsense would have shown was absurd. It is demonstrably not the case that our manufacturers were more competitive internationally in 1976 and 1977 than they were in 1973 by reason of the fact that our "relative normal unit labour costs" according to International Monetary Fund figures had fallen relative to those of our competitors.

Your editorial of August 15 expressed bewilderment about our recent trade performance, but this could only have been because, like your Bonn correspondent reporting on page 2, you had failed to look at the evidence. In the fourth quarter of last year the export price of our manufactured goods was 12

per cent higher relative to those of our competitors than in the year the present Government took office. Over the same period the price of manufactured imports had fallen by 15 per cent relative to the price of manufactured exports. Small wonder that imports are increasing much faster than exports so that in May, possibly for the first time ever, we became a net importer of manufactures. The Treasury view that we were still competitive in the fourth quarter because our relative normal unit labour costs were 10 per cent lower than in 1974 is obviously wrong and must therefore cast doubt on the whole of the Government's economic strategy.

Your editorial made our point in referring to the plight of a small number of industries producing such things as consumer durables. The hallmark of these industries is the importance of economies of scale and the need to find markets overseas to get rid of surplus production. It follows that a country with an undervalued currency can reduce costs in its export industries faster than its competitors and vice-versa in the case of a country like the UK which has long had an overvalued currency.

This means that differences in the purchasing power of a currency can arise as a result of a change in the exchange rate and that this can feed on itself, thus contradicting the theory of one price which is at the heart of the monetarist position. The work we have done shows that there has been an tendency for the general level of prices to converge in the post-war world, which of course accords with common observation.

Shaun Stewart, 72, Albert Street, NW1.

Today's Events

August provisional figures for unemployment and unfilled vacancies.

Eurofer, the "club" of European steel companies, meets in Brussels in first of series of discussions on ways for European steelmakers to act in concert to cut losses on steel sales, restore a greater measure of discipline in the EEC market, and salvage workable portions of the Davignon Plan.

Palestinian guerrilla leaders meet in Damascus for unity talks within the framework of the Palestine Central Council (PCC). Interim figures: Wedgwood (first v West Indies, Arundel, Golf: Second day of United Nations

Economic and Social Commission for Asia and Pacific (ESCAP) meeting at New Delhi on trade between Asian and Pacific areas, attended by over 30 countries.

Sir Peter Vaneck, Lord Mayor of London, continues official visit to Latin America to "promote" British trade with the region.

Final dividends: English and Overseas Investments, Alkay Investments, Meat Trade Suppliers, Interim dividends: American Trust, Brooks Group of Companies, Ocean Transport and

Trading, W. and E. Turner. Cricket: Under 19 Test, England v West Indies, Arundel, Golf: Second day of United Nations

quarter), Wolf Electric Tools Holdings.

COMPANY MEETINGS. Giltspur, Piccadilly Hotel, W. 12. Hymond Williams, Governor of Securities, 12.15. Mercury Securities, 30, Gresham Street, EC. 12. Moorgate Investment, 8, Waterloo Place, SW. 12.30. Oil and Associated Investment Trust, Winchester House, EC. 12. Renwick Group, Renwick House, Brixham Road, Palatton, 2.30. John Swan, New Mart Road, Edinburgh, 4.

SPORT. Trading, W. and E. Turner. Cricket: Under 19 Test, England v West Indies, Arundel, Golf: Second day of United Nations

British Boys' Championship, Seaton Carew. British Girls' Championship, Largs. Carrolls Irish open pre-qualifying, Portlough. Bowls: English Men's Championship, Worthing. Yachting: Half Ton Cup, Poole.

EXHIBITIONS. Historical development of heraldry in Britain from its 12th century origins, British Museum, WCI (until August 27).

George Romney drawings, Kenwood House, Hampstead Lane, NW3 (until September 3).

Sir Gilbert Scott centenary exhibition, Print Room Galleries, Victoria and Albert Museum, South Kensington, SW7 (until September 10).

The only thing we overlook is each other

As part of the largest security company in Europe and the world, we've got standards to maintain.

The highest standards. From detecting devices through to master controls, the equipment we install is our own.

Designed, developed, checked and tested to a fault, it's up-to-date and it's the best.

The same goes for our people. Whether they're on design, consultancy, installation, guarding or whatever.

But nobody's perfect. And accidents do happen. We can't be too careful.

Every Group 4 security plan—

small or large—includes an element of supervision.

Physically, we take care of it with both on-the-spot control systems and personal inspections at random intervals by Group 4 Supervisors.

And from a distance, we monitor men and equipment on a fail-safe system from electronically protected Central Stations which are operative 24 hours a day.

The best way to judge a security company is by its own security. Why don't you look us over?

group 4
TOTAL SECURITY

Giving the world a sense of security

Group 4 Total Security Ltd., 7 Carlos Place, London W.1. Tel: 01-529 8765 or your local office through Yellow Pages.

COMPANY NEWS+COMMENT

AMC over £3m in second quarter

A SECOND-QUARTER jump in taxable earnings from £1.46m to £3.13m by Amalgamated Metal Corporation lifted profit for the six months to June 30, 1978, to £5.79m, compared with £4.19m.

The directors released the half-year figures earlier than intended so that they are available to members when considering the bid for the whole of the group's equity being made by Preussag AG. As reported in July Preussag has reached agreement to acquire Patino's 33 per cent controlling interest in AAC.

Sales for the six months fell to £453m (£561m) and after tax of £2.71m (£1.65m) earnings per share came out at 31.6p (28.8p). The 1977 figures exclude an exceptional loss of £1.8m due to a fraud.

The net interim dividend is raised to 5.5p (5p) but the record and payment dates will be fixed and announced when the outcome of the bid is known. The board however expects payment to be made in October as usual. The final for 1977 was 10.812p paid from profit on 20p cent after the exceptional fraud loss.

During the first half in smelting and industrial activities achieved excellent results and the directors expect continued satisfactory performance. Investment income, by far the greater part of which arises in the first six months, also showed useful improvement.

Profits arising from activities on the London Metal Exchange were marginally below the exceptional results achieved last year but nevertheless satisfactory. The result of the physical trading division continues to reflect difficult markets.

Minorities for the period amounted to £1.03m (£881,000) and attributable profit improved to £3.05m (£1.83m). There was an extraordinary debit last time of £35,000.

See Lex

Sharp rise by Saint Piran

A JUMP in pre-tax profits from £2,009,242 to a record £3,028,571 is reported by Saint Piran, the tin mining and property development group, for the year to March 31, 1978. Turnover was up by over £5m to £13,350m.

At midday, when announcing higher profits of £1.3m (£1,045,000), the directors said that trading results in both main divisions showed improvement and it was anticipated that full year results would reflect the continuing trend of increased profits.

After tax of £2,211,209 (£1,774,981) adjusted for ED19, and extraordinary debits of £72,368 (£129,053), attributable profits improved from £1,097,883 to £1,732,269.

Earnings per 25p share are

DIVIDENDS ANNOUNCED

| Company | Current payment | Date of payment | Corr. payment | Total payment | Total last year |
|----------------------------|-----------------|-----------------|---------------|---------------|-----------------|
| Amalgamated Metal Int. 3.3 | 5 | Oct. 2 | 0.25 | 5.25 | 13.81 |
| Charles Baynes Int. 0.3 | 0.25 | Oct. 9 | 0.25 | 0.50 | 0.67 |
| Blagden & Noakes Int. 1.5 | 2.25 | Oct. 2 | 2.25 | 4.50 | 1.1 |
| Saint Piran 0.76 | 2.01 | Oct. 2 | 2.01 | 4.02 | 1.81 |

Dividends shown pence per share net except where otherwise stated.

*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡To reduce disparity.

§ Payment to be decided on outcome of bid.

Black Arrow sees more

PROSPECTS FOR all divisions of Black Arrow Group appear good and Mr. Arnold Edward, the chairman, looks forward to further satisfactory progress in the current year.

In his annual statement he says that the budget for new leasing business is currently considerably in excess of last year.

With office furniture distribution, the two branches have been moved to new facilities which provide more than double the capacity. The division has begun the year with a strong order book and a satisfactory increase in profits is expected.

Turnover and margins are on target in the electronic components operations, and a major marketing effort is now under way to change its image from that of a strong regional distributor to that of a national distributor, particularly to increase penetration in London.

With electrical appliances, margins have been substantially increased by management weeding out unprofitable businesses. Mr. Edward says. Directors are confident of a modest profit this year.

Fixed assets at balance date were £1.4m (£1.42m), current assets £2.4m (£1.76m) and liabilities £1.4m (£1.39m).

Burma Mines Board split on policy

The many small shareholders in Burma Mines—which, despite its name, is an investment trust company—are being asked to attend an EGM in October to decide the future of their company.

From three members of the existing board, Mr. D. S. Middle-

First half advance by C. Baynes

WITH TURNOVER higher at £1.05m against £0.85m, profits before tax of Charles Baynes, maker of hacksaw blades, advanced from £130,733 to £200,807 for the six months to June 30, 1978.

In its last annual report, the company said that while the strengthening of sterling was helping to stabilise the cost of raw materials, it was adversely affecting its competitiveness in export markets and the immediate future was viewed with caution.

For the whole of the 1977 year, a record £293,364 pre-tax profit was achieved.

After tax of £104,410 (£78,394) net profits for the half-year rose from £72,361 to £98,388. The interim dividend is effectively lifted to 0.3p (adjusted 0.25p net per 10p share—last year's final was 0.43p, adjusted for a four-for-one scrip issue).

A. Preedy plans 12 new stores

AT LEAST 12 new retail outlets are planned by Alfred Preedy and Sons in the coming year, plus rehousing of three existing branches and more wholesaling capacity, Mr. H. L. Preedy, the chairman, says in his annual statement.

In the March 23, 1978, year eight new retail outlets were opened, and three rehoused. Pre-tax profit rose from £1,07m to a peak of £1.21m.

He says he believes that progress in the retail trade will be sustained and that this will be supported by the group's policy of running a variety of outlets from comparatively large stores to news and tobacco kiosks and news rounds shops.

"We have also embarked on a programme taking us into specialist card shops under the name Occasions. Encouraging results have increased our determination to open more of these."

He adds that the successful rights issue at the beginning of the year enables the Board to embark on these ambitious

Medens profit doubled

TAXABLE PROFIT at Medens Trust, insurance finance group, jumped 101 per cent from £230,177 to a peak £463,396 in the June 30, 1978 year. Net profit came out at £227,022 compared with £103,839 previously.

The directors say revenue reserves rose 22 per cent to £333,350, while total group balances advanced from £3m to £11m, reflecting a 34 per cent increase in turnover in the group's hire purchase activities.

The dividend total for the quarter is lifted from 0.825p to 0.92p per 10p share, with a final of 0.55p.

Mr. J. A. K. Collins, the chairman, says the results reflect the general improvement in the insurance credit industry. Interest rates were lower than in the preceding year. "We look forward to further progress in the current year," he adds.

Benjamin Priest has never been stronger

THE YEAR at Benjamin Priest and Sons (Holdings) has begun satisfactorily in the majority of areas, Mr. C. F. Wardle, the chairman, says the group can look forward to its 135th year with the confidence that it has never been stronger.

The strength in terms of financial liquidity and assets backing, and in the spread of sound manufacturing interests.

However, he says that directors cannot ignore the economic outlook which points to limited expansion in real terms for the next few years. It is therefore extremely difficult to predict the pattern of trading beyond the immediate future. But the Board

believes that the group's performance and will continue to seek opportunities for growth.

As reported on August 9, taxable profit of the group—expanded by the acquisition of Blackheath Engineering and R. and A. G. Crossland—advanced from £1m to £1.3m in the March 31, 1978, year.

Mr. Wardle points out that the group at the beginning of the year achieved a record level of turnover.

He says each of the sub-groups to which the subsidiaries have been formed made progress in the period.

On the industrial fastener side Benjamin Priest and Sons without increasing severe import competition through efficient customer service, strengthened sales coverage at home and abroad and the introduction of more products made to customers' specifications.

However, he says the future of the fasteners industry, is threatened in many quarters by the flow of imports.

After an early surge of orders on the materials handling side demand was uneven and it is likely to continue to be so until there is sufficient long-term confidence in the economy to underpin a revival in capital spending on major

Blagden & Noakes ahead so far

FOR THE 25 weeks to June 25, 1978, taxable profits of Blagden and Noakes (Holdings) the steel drum, plastic product and chemical group, improved from £2,135,000 to £2,503,000 on turnover up £5.7m to £26.5m.

For the remainder of the year, the directors are confident that second-half results will top those now reported and all divisions are expected to do better than during the first six months.

The newly acquired, W. V. Bell and Sons added a trading profit of £512,000 for the half-year and the 12-month contribution is expected to be comfortably over £1m.

The chemicals division proved the main problem area for the group during the half-year, and a manufacturing loss of £13,000 wiped out the profit on trading activities and left a deficit for the division as a whole of £18,000 compared with profit last time just topping £200,000.

A long-term development plan for this division that could involve a new plant with an investment of some £1m is now under consideration, say the directors.

Over the remainder of the current year the loss on chemical manufacturing is expected to be reduced with the division as a whole ending back in profit.

The group is still very much on the takeover trail and the likely target area is chemicals storage and distribution. At this stage, the directors say, they are looking for a "sizeable" acquisition and in bid terms this could involve a deal of more than £5m.

Profits were struck after heavier interest of £52,000 (£15,000) and included a lower share of £9,000 (£54,000) from associates.

Tax took £1.21m (£1.13m) and minority £490,000 (£373,000), leaving attributable profits ahead from £332,000 to £703,000.

Earnings per 25p share are 13.2p (14.1p), while the interim dividend is raised from 2.525p to 3p net to reduce disparity—last year, payments totalled 12p from £4.36m pre-tax profit.

comment
Take out a £800,000 profit contribution from the Ball acquir-

warehouse projects, Mr. Wardle says.

At year-end, fixed assets of the group stood at £3.4m, compared with £2.2m previously, and net current assets were up from £1.97m to £3.01m.

Elliott of Peterborough

Recent board changes made at the Elliott Group of Peterborough resolved approval from shareholders at yesterday's annual meeting. Mr. T. H. Leon, Mr. P. E. Smith, and Mr. P. N. Smith were confirmed in their appointments to the board by a vote of the shareholders present, while Mr. A. W. Houston's election as chairman of the group met with no opposition.

Mr. Houston became chairman of Elliott in April following the resignation of Mr. Edmund Smith. Mr. Houston's appointment as chairman, and the other board changes, followed a City row late last year over the non-appearance of announced Middle East contracts worth £54m and directors' share dealings.

At yesterday's meeting a shareholder representing the Scottish Life Assurance Company asked for confirmation that the total figure for compensation for loss of office was £31,000, and that the amount had not been charged twice in the accounts. Mr. Houston confirmed that the amount was £31,000.

Another shareholder asked whether the amount due from a completed contract in Saudi Arabia was in contention or was it the pipeline? Mr. Houston explained that there were no immediate problems. The contract was completed and only a final payment was awaited. After the sufficient long-term confidence in the economy to underpin a revival in capital spending on major

£500,000 on an £11.3m contract.

Merrill Lynch White Weld Capital Markets Group
Merrill Lynch, Pierce, Fenner & Smith Incorporated

Salomon Brothers

Hambros Bank Limited

Bergan Bank

Christiana Bank og Kreditkasse

Den norske Creditbank

Crown House sees continued progress

THE EXCELLENT progress achieved by Crown House during 1977-78 is expected to continue, says Mr. Patrick Edge-Partington. Despite signs that trading conditions are becoming more competitive both at home and overseas, every effort will be made to maintain and improve the group's share of its markets.

The dominant aim will remain the expansion of its major interests in engineering, contracting, merchandising or electrical equipment and manufacture and distribution of glassware. In support of this capital spending of some £4m has been authorised.

Contracting margins at home are becoming more difficult to hold and the need for a healthy overseas operation remains, he says. In South Africa conditions are difficult owing to recession but an improving situation appears to be developing in Western Australia.

Expansion of the electrical merchandising activity will be continued including purchases by acquisition when opportunities arise, and in glassware further growth is expected in the current year.

The directors have now decided to end the group's interest in property development by running out the existing propositions in hand over the next two or three years. Sale of three properties during 1978-79 should make a useful contribution to profit.

On turnover of £39.94m (£37.96m) group taxable profit improved to £3.3m (£2.61m) for the year to March 31, 1978, the net dividend is raised from 3.05p to 3.35p—reported July 11. The chairman comments that

every effort will be made to reduce the disparity between dividend payments and the cost of living as soon as circumstances permit.

At year end net cash balances were down £1.6m (up £1.02m) with cash in hand and at the bank lower at £2.45m (£2.57m).

Turnover and profit was split as to electrical and mechanical engineering services, £74.54m (£61.04m) and £1.76m (£1.61m); glassware £17.34m (£14.27m) and £1.45m (£348,000) and miscellaneous £1.86m (£1.53m) and £27,000 (£161,000).

Engineering contracting activity in the UK has now levelled off but Crown House Engineering finished the year with an outstanding order book 7 per cent up at £34m. Overseas it was a quiet year in Oman which contributed lower profit.

A merchandising company that had been set up in South Africa some three years ago did not prove successful and has been closed and assets sold. Full closure costs have been provided in the accounts for this and the closure in May of A. Scapa, a small unit making switchboard panels.

Terms have recently been agreed for the sale of Scapa's factory at Hammersmith for £175,000. A freehold contracting depot in London was sold for £320,000 during the year and it is proposed to rationalise the existing premises of Dema Glass. For this a site has been obtained for £250,000 and construction work will begin later this year.

Meeting, Connaught Rooms, WC, on September 14 at 11.30 am.

Convertible Unsecured Subordinated loan stock have been converted into 4,656,285 ordinary shares.

KENSINGTON AND CHELSEA FLOATER

Phillips and Drew announce the placing of £5m of The Royal Borough of Kensington and Chelsea Variable Rate Redeemable stock, 1982 at 99 1/2 per cent payable in full on issue.

Interest will be calculated at 1 per cent above six months LIBOR in the usual way, and will be paid on February 24 and August 24 with a final payment of £2,317 per cent on February 24, 1978. The stock is redeemable on August 24, 1982.

Dealings are expected to commence on Thursday. A total of £500,000 of stock will be available in the market on August 23 in accordance with the requirements of the Stock Exchange.

YORKSHIRE CHEMICALS

Yorkshire Chemicals announces that acceptances have been received for 3,537,941 ordinary shares (82 per cent) of the £4,429,938 shares offered by way of rights to ordinary shareholders. The shares not taken up have been sold and the net premium over the offer price, amounting to approximately 12p, will be distributed to shareholders entitled thereto, except that no payments will be made for amounts of less than 1p.

DUDLEY OLDHAM

Metropolitan Borough

Floating Rate Stock 1982

for the six months from 22nd August, 1978 to 22nd February, 1979

The interest rate on the above stock will be £10-59.38% per annum.

Morgan Grenfell & Co. Limited.

for the six months from 22nd August, 1978 to 22nd February, 1979

The interest rate on the above stock will be £10-59.38% per annum.

Morgan Grenfell & Co. Limited.

August 22, 1978

\$75,000,000

Den Norske Industribank A/S

(The Norwegian Industrial Bank)

9 1/2% Guaranteed Notes due July 1, 1998

Payment of principal and interest unconditionally guaranteed by the

Kingdom of Norway

The private placement of these securities has been arranged by the undersigned:

Merrill Lynch White Weld Capital Markets Group

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Salomon Brothers

Hambros Bank Limited

Bergan Bank

Christiana Bank og Kreditkasse

Den norske Creditbank

THE ROYAL KENSINGTON

This advertisement appears as a matter of record only



ALUMINIO ESPAÑOL, S. A.

US \$ 50,000,000

medium term loan

With the several guarantees of

EMPRESA NACIONAL DEL ALUMINIO, S. A.

and

ALUMINIO DE GALICIA, S. A.

Managed by

BANCO DE BILBAO, S. A.

CITICORP INTERNATIONAL GROUP

and

BANCO URQUIJO, S. A.

THE ROYAL BANK OF CANADA

BANQUE ROTHSCHILD

UNITED INTERNATIONAL BANK LTD.

Co-managed by

BANCO ESPAÑOL DE CREDITO, S. A.

BANCO HISPANO AMERICANO, S. A.

BANKERS TRUST COMPANY

BANCO EXTERIOR DE ESPAÑA, S. A.

BANCO PASTOR, S. A.

WILLIAMS & GLYN'S BANK LIMITED

Provided by

CITIBANK, N. A. • ROYCAN FINANZ AG • BANCO DE BILBAO, S. A.

UNITED INTERNATIONAL BANK LIMITED • BANCO URQUIJO, S. A. • BANKERS TRUST COMPANY

BANQUE ROTHSCHILD • WILLIAMS & GLYN'S BANK LIMITED

BANCO COMERCIAL PARA AMERICA (AMERIBANK)

BANCO ESPAÑOL DE CREDITO, S. A. • BANCO EXTERIOR DE ESPAÑA, S. A.

BANCO HISPANO AMERICANO, S. A. • BANCO PASTOR, S. A. • BANK MEES AND HOPE NV

BANQUE BELGE POUR L'INDUSTRIE, S. A. • BANQUE CANADIENNE NATIONALE (EUROPE)

BANQUE INTERNATIONALE POUR L'AFRIQUE OCCIDENTALE • BARCLAYS BANK, S. A. PARIS

CREDIT CHIMIQUE • CREDIT LYONNAIS • IRVING TRUST COMPANY

MERCK, FINCK AND COMPANY • MIDLAND AND INTERNATIONAL BANKS LIMITED

THE NORTHERN TRUST COMPANY • PRIVATBANKEN INTERNATIONAL (DENMARK), S. A.

THE SANWA BANK LIMITED • UNION MEDITERRANEEENNE DE BANQUES.

Agent Bank



BANCO DE BILBAO

LONDON

July 1982

The table below gives the latest available rates of exchange for the pound against various currencies on August 21, 1978. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territories; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (S2) selling rate; (B2) buying rate (nom.); (SFX), (BFX), (SFXM), (BFXM) minimum rates based on U.S. dollar parities and going sterling dollar rates; (Bsk) bankers' rate; (Bss) basic rate; (C) central bank rate; (R) convertible rate; (RM) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table are for the date shown. The rates for the following

| Aug. 31 | Sterling | Canadian Dollar | U.S. Dollar | Drach | Guilder | Swiss |
|---------------|---------------|-----------------|-------------|-------|---------|-------|
| 90 days bank | 5 1/2-5 3/4 | 5 1/4-5 1/2 | 5 1/4 | 5 1/2 | 5 1/2 | 5 1/2 |
| 3 days notice | 10-11 | 5 1/4-5 1/2 | 5 1/4 | 5 1/2 | 5 1/2 | 5 1/2 |
| Month | 10 1/2-11 | 5 1/4-5 1/2 | 5 1/4 | 5 1/2 | 5 1/2 | 5 1/2 |
| Three months | 11 1/2-12 1/2 | 5 1/2-5 3/4 | 5 1/2 | 5 1/2 | 5 1/2 | 5 1/2 |
| Six months | 12 1/2-13 1/2 | 5 3/4-6 | 5 3/4 | 5 1/2 | 5 1/2 | 5 1/2 |
| One year | 13 1/2-14 1/2 | 5 3/4-6 1/2 | 5 3/4-6 | 5 1/2 | 5 1/2 | 5 1/2 |

The following nominal rates were quoted for London dollar certificates of deposit per cent: one year 5 1/2-5 3/4 per cent.

Two-year term Eurodollar deposits: two years 9 1/2-10 per cent; three years 10 1/2-11 per cent.

Short-term rates are call for Sterling, U.S. dollars and Canadian dollars: two to six months 10-11 per cent.

| Swiss Franc | Swiss Franc | Dutch Guilder | Indian Lira | Canada Dollar | Belgium Franc |
|-------------|-------------|---------------|-------------|---------------|---------------|
| 46.1 | 2.215 | 4.788 | 16.21 | 2.296 | 61.78 |
| 5.57 | 1.997 | 4.171 | 14.04 | 1.138 | 61.80 |
| 187 | 0.831 | 1.025 | 419 1 | 4.868 | 12.11 |
| 2.74 | 5.642 | 11.28 | 4887 | 5.912 | 11.32 |
| 10.61 | 3.800 | 1.950 | 1416 | 4.393 | 71.31 |
| 1.31 | 1. | 1.302 | 504 1 | 1.625 | 18.90 |
| 0.80 | 0.788 | 1. | 867.0 | 0.234 | 27.41 |
| 0.230 | 1.984 | 2.684 | 1000. | 1.255 | 34.48 |
| 8.53 | 1.464 | 1.907 | 58 2 | 1. | 27.87 |
| 3.95 | 5.222 | 6.883 | 26.82 | 5.614 | 100. |

[illegible]

U.S. Fed funds firmer

AMSTERDAM—Money market rates fell sharply, with call money falling to 2-1/4 per cent from 3 per cent. One-month bonds dropped to 5-1/2 per cent from 6-1/2 per cent; three-month to 6-1/2 per cent from 6-7/8 per cent; and six-month to 6-1/2 per cent from 7-1/8 per cent.

PARIS—Day-to-day money was slightly easier in the money market, falling to 7 1/2 per cent from 7 3/4 per cent. Other rates showed little change, with one-month unchanged at 7 1/2-7 3/4 per cent; three-month unchanged at 7 1/2-7 3/4 per cent; six-month down to 7 1/2 per cent from 7 3/4 per cent; and twelve-month unchanged at 8 1/2-9 per cent.

FRANKFURT—Call money was little firmer at 3 1/2 per cent, compared with 3 1/4 per cent before the weekend. Period rates were unchanged at 4 1/2 per cent for one-month; 5 1/2 per cent for three-month; and 4 per cent for six-month.

BRUSSELS—Deposit rates for the Belgian franc (commercial) were generally lower, with one-month falling 1/2 per cent to 6 1/2 per cent; three-month easing 1/2 per cent to 7 1/2 per cent; and six-month also falling 1/2 per cent to 7 1/2 per cent. The 12-month rate has been steady at 7 1/2 per cent. Call money was unchanged at 6 per cent.

HONG KONG—The money market was easy, with call money at 4 1/2 per cent, compared with 4 1/4 per cent on Friday.

Bank of England Minimum Lending Rate 10 per cent. (since June 8, 1978)

Day-to-day credit was in slightly short supply in the London money market yesterday, and the authorities gave a moderate amount of assistance by buying a moderate number of Treasury bills from the discount houses, and a small amount of local authority bills.

Banks brought forward small surplus balances from Friday, and the market was also helped by a small drop in the note circulation.

On the other hand there was a net market take-up of Treasury bills to finance, a moderate excess of revenue payments to the Exchequer over Government disbursements, and resale to the market of bills bought previously by the authorities on a repurchase basis.

Discount houses paid 81-8½ per cent. for secured call funds, and closing balances were taken at 8-8½ per cent.

In the interbank market overnight loans opened at 81-83 per cent. and rose to 83½ per cent. before rising slightly to 84-85 per cent. by lunch time. In the afternoon rates eased to 8-8½ per cent., before rising to 84-85 per cent. and rising at 8-8½ per cent.

Rates in the table below are nominal in some cases.

| Local Authority Bonds | Finance House Deposits | Company Deposits | Discount Market Discount | Treasury Bills | Eighteen Month Bills | Five Year Notes |
|-----------------------|------------------------|------------------|--------------------------|----------------|----------------------|-----------------|
| 91 9/16 | — | 8 1/2-8 3/4 | 8 5/8 | — | — | — |
| 91 1/2 | — | 9 1/4 | 8 3/4-9 1/8 | — | — | — |
| 91 3/4 | 9 1/8 | 9 1/4 | 8 7/8-9 | 9 1/4 | 9 1/8 | 9 1/8 |
| 92 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 92 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 92 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 93 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 93 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 93 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 94 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 94 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 94 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 95 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 95 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 95 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 96 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 96 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 96 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 97 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 97 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 97 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 98 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 98 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 98 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 99 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 99 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 99 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 100 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 100 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 100 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 101 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 101 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 101 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 102 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 102 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 102 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 103 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 103 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 103 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 104 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 104 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 104 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 105 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 105 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 105 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 106 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 106 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 106 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 107 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 107 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 107 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 108 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 108 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 108 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 109 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 109 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 109 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 110 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 110 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 110 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 111 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 111 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 111 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 112 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 112 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 112 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 113 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 113 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 113 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 114 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 114 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 114 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 115 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 115 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 115 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 116 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 116 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 116 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 117 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 117 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 117 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 118 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 118 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 118 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 119 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 119 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 119 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 120 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 120 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 120 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 121 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 121 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 121 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 122 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 122 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 122 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 123 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 123 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 123 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 124 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 124 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 124 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 125 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 125 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 125 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 126 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 126 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 126 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 127 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 127 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 127 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 128 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 128 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 128 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 129 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 129 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 129 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 130 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 130 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 130 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 131 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 131 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 131 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 132 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 132 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 132 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 133 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 133 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 133 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 134 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 134 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 134 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 135 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 135 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 135 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 136 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 136 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 136 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 137 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 137 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 137 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 138 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 138 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 138 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 139 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 139 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 139 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 140 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 140 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 140 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 141 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 141 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 141 3/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 142 1/4 | 9 1/8 | 9 1/4 | 9 | 9 1/4-9 1/2 | 9 1/8 | 9 1/8 |
| 142 1/2 | 9 1/8 | 9 1/4 | 9 | 9 1/ | | |

The Mitsubishi Bank, Limited

WESTDEUTSCHE LANDESBANK
GIROZENTRALE

THE NIKKO SECURITIES CO., (EUROPE) LTD.

CHASE MANHATTAN
LIMITED

KREDIETBANK S.A. LUXEMBOURGEOISE

MITSUBISHI BANK
(EUROPE) S.A.

UNION BANK OF SWITZERLAND (SECURITIES)
LIMITED

Alhali Bank of Kuwait (K.B.C.)
Algemene Bank Nederland N.V.
A.E. Assas & Co.
Limited
Amsterdam-Rotterdam Bank N.V.
Arab African International Bank (Cairo)
Arab Financial Consultants Company S.A.K.
Bache Halsey Stuart Shields
Incorporated
Banca Commerciale Italiana
Banca del Gottardo
Banca Nazionale del Lavoro
Banco di Roma
Bank of America International
Limited
Bank Julius Baer International
Limited
Bank für Gemeinwirtschaft
Aktiengesellschaft
Bank of Helsinki Ltd.
Bank Mess & Hope NV
The Bank of Tokyo (Holland) N.V.
Banque Bruxelles Lambert S.A.
Banque Française du Commerce Extérieur
Banque Générale du Luxembourg
Société Anonyme
Banque de l'Indochine et de Suez
Banque Internationale à Luxembourg S.A.
Banque Nationale de Paris
Banque de Paris et des Pays-Bas
Banque Populaire Suisse S.A. Luxembourg
Banque de l'Union Européenne
Bayerische Hypotheken- und
Wechsel-Bank
Bayerische Landesbank Girozentrale
Bayerische Vereinsbank
Bergen Bank
Berliner Handels-
und Frankfurter Bank
Blyth Eastman Dillon & Co.
International Limited
Caisse des Dépôts et Consignations
Chemical Bank International
Limited
Christiansen Bank og Kreditkasse
Citicorp International Group
Commerzbank
Aktiengesellschaft
Copenhagen Handelsbank
County Bank
Limited
Creditanstalt-Bankverein
Crédit Commercial de France
Crédit Lyonnais
Credito Italiano
Credit Suisse White Waid
Limited
Daiva Europe N.V.
Richard Daus & Co.
Bankiers

Den Danske Bank
et 1871 Aktieselskab
Den norske Creditbank
Deutsche Bank
Aktiengesellschaft
Deutsche Girozentrale
- Deutsche Kommunalbank -
D.G. Bank
Deutsche Genossenschaftsbank
Dillon, Read Overseas Corporation
Dresdner Bank
Aktiengesellschaft
Dresdner Bankhaus Lambert
Incorporated
Euromobiliare S.p.A.
Compagnia Europea Interbancaria
European Banking Company
Limited
First Boston (Europe)
Limited
Robert Fleming & Co.
Limited
Girozentrale und Bank
der Österreichischen Sparkassen
Aktiengesellschaft
Goldman Sachs International Corp.
Groupement des Banquiers
Privés Genevois
Hambros Bank
Limited
Hessische Landesbank
- Girozentrale -
Hill Samuel & Co.
Limited
E. F. Hutton & Co. N.Y.
The Industrial Bank of Kuwait I.B.C.
Industriebank von Japan (Deutschland)
Aktiengesellschaft
Kanaëlle-Deake-Pankki
Kipper, Peabody International
Limited
Kleinwort, Benson
Limited
Kreditbank N.V.
Kuhn Loeb Lehmann Brothers
International
Kuwait Foreign Trading, Contracting
& Investment Co. (S.A.K.)
Kuwait International Investment Co. s.a.k.
Kuwait Investment Company (S.A.K.)
Lazard Brothers & Co.
Limited
Lloyds Bank International
Limited
Manufacturers Hanover
Limited
McLeod, Young, Weir International
Limited
Merrill Lynch International & Co.
B. Metzler soel. Sohn & Co.
Morgan Grenfell & Co.
Limited
Morgan Stanley International
Limited

MTBC & Schroder Bank S.A.
National Bank of Abu Dhabi
New Japan Securities Europe
Limited
The Nikko Securities Co., (Deutschland)
GmbH
Nippon European Bank S.A.
The Nippon Kangyo Kaikan
Securities Co., Ltd.
Nimura Europe N.V.
Norddeutsche Landesbank
Girozentrale
Oskans Securities Co., Ltd.
Sal. Oppenheim jr. & Cie.
Orion Bank
Limited
Piercon, Halding & Piercon N.V.
PKBanken
Postpankiki
Privatbanken Aktieselskab
Renout & Co.
M. M. Rothschild & Söms
Limited
Salomon Brothers International
Limited
J. Henry Schroder Wegg & Co.
Limited
Skandinaviska Enskilda Banken
Smith Barney, Harris Upham & Co.
Incorporated
Société Générale
Société Générale de Banque S.A.
Sparkassenbank
Svenska Handelsbanken
Swiss Bank Corporation (Overseas)
Limited
Talya Kaba Finance Hong Kong
Limited
Tokai Kyowa Morgan Grenfell
Limited
Trinkaus & Birkenhant
Union de Banques Arabes et Françaises
- U.B.A.F.
Union Bank of Finland Ltd.
Union Bank of Norway Ltd.
Verband Schweizerischer Kantonalbanken
Vereins- und Westbank
Aktiengesellschaft
J. Vontobel & Co.
Wako Securities Company
Limited
M. M. Warburg-Brinckmann, Wirtz & Co.
S.G. Warburg & Co. Ltd.
Westfahnenbank
Aktiengesellschaft
WestLB Asia
Limited
Wood Gundy Limited
Yamaichi International (Europe)
Limited
Yamatense Securities Co., Ltd.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

A boom year for U.S. airlines

BY JOHN WYLES IN NEW YORK

TIME MAGAZINE recently encapsulated this year's airline travel phenomenon with an illustration of a flying sardine can. To have been complete, however, the picture would have needed a heavy rainfall of dollars, because the extraordinary 16 per cent growth in passenger traffic in the first half of this year has taken the profits of the 11 major trunk airlines to a level which would have been considered stratospheric a few years ago.

Only Northwest Airlines, which until this week was virtually paralysed by a 108 day pilots strike, has failed to show a spectacular gain over last year's second quarter earnings. At Pan American Airways, for example, net income was 193 per cent higher than last year, at TWA 97.6 per cent, at American 39.2 per cent and at United Airlines 24.5 per cent.

Because these gains were achieved during a quarter when discount fares were more widely available than ever before, they raise the intriguing question of the responsibility of cut price tickets for the pot of gold seemingly awaiting most airlines at the end of their current financial year.

Analysts' projections for the 11 airlines far outstrip their record aggregate earnings last year of \$611m. With the results of the peak summer months still to come, profit estimates range from \$800m to \$950m. But such is the uncertainty that one analyst whispered, "it could be a billion dollars if they carry on like this."

The importance of discount fares to this profits windfall

cannot be gauged with any precision because several factors have been at work to encourage more members of the travelling public to take to the air than ever before. The airlines acknowledge that cheap fares have, obviously played a major role, but so has the fact that consumer spending has been running at record levels this year.

The picture is further clouded by the impossibility of judging just how many passengers who might normally have bought a

scheduled ticket switched to a discount fare.

For many airlines and travel agents, it has seemed at times as though all of America is taking to the air. Coping with the new demand has meant significant extra costs for the airlines, which have been forced to take on hundreds of new staff

around with conditions and are available at particular times on specified days.

Significantly, TWA decided last week that enough was enough and asked the Civil Aeronautics Board for permission to eliminate 13 different types of discount fares which, it says, account for less than 5 per cent of its traffic and whose disappearance would reduce the waiting time for telephone reservations. TWA is quick to point out that it is not scrapping

On the evidence of this year, of course, it does not look as though the competitive winds will be too chill. But it is estimated that the airlines will have to find about \$600m for new aircraft purchases by the end of the next decade, and attempts to regroup and prepare for the freer operating environment can already be seen.

One view of the future is that on domestic routes the availability of discount fares will be steadily reduced over the next two or three years. "To expect otherwise would presume ineptness of the industry in its marketing approach," says Mr. Bob J. Joedick, airline analyst with Lehman Brothers Kuhn Loeb. He and others argue that with no significant additions to airline capacity projected for the next four years or so, the laws of supply and demand will come to prevail so that cut price fares

will be employed as a tool to even out the peaks and troughs of passenger demand.

But Mr. John Heilner, vice-president of pricing at TWA, believes the airlines may not have that much pricing freedom. He points out that while airline fleets may not be yet due for great expansion, carriers are putting more seats into many of their aircraft with the kind of result that United Airlines has increased its transcontinental capacity by 25 per cent this summer. Moreover, the move towards airline deregulation through the Bill currently before Congress and the increasingly liberal policies of the CAB will lead more airlines into competing on each other's established routes.

On the evidence of this year, of course, it does not look as though the competitive winds will be too chill. But it is estimated that the airlines will have to find about \$600m for new aircraft purchases by the end of the next decade, and attempts to regroup and prepare for the freer operating environment can already be seen.

General Mills sees record earnings

MINNEAPOLIS, August 21

GENERAL MILLS, the food, clothing and toys group, re-estimated a forecast of record sales and earnings in fiscal 1979 and says it expects the strongest gains in the second quarter.

In last year's second quarter ended November 27, 1977, the company earned \$8 cents a share from continuing operations on sales of \$228.9m.

General Mills also says in its latest annual report that it has budgeted for a 20 per cent increase in fiscal 1979 gross capital expenditures to about \$165m.

Of this year's outlays, all to be financed internally, about 50 per cent is allocated for food processing, 25 per cent for restaurants and the balance for other consumer businesses and corporate items.

The company said it plans to open 47 new restaurants and expand or remodel about 17 Red Lobster inns in fiscal 1979. It had 312 company-owned restaurants in operation at the end of 1978.

General Mills said advertising expenditures rose 12.5 per cent to \$178.5m and research and development outlays increased 18.2 per cent to \$30.5m in the year ended May 28 last.

Reuter

New members for Progas consortium

By Robert Gibbons

MONTREAL, August 21. THE CALGARY-BASED Progas consortium, which is rivaling the Foothills group of Alberta in plans to increase exports of surplus western Canadian gas to the U.S., has confirmed that several leading companies have joined.

The project co-ordinator of Progas is Mr. Vernon Horne, former president of TransCanada Pipelines and former head of the Gas Arctic Consortium backed by several major international oil companies and TCC, which unsuccessfully fought to get Alaskan gas moved to the Canadian-American border via a Mackenzie Valley pipeline.

The Progas participants now include Amoco Canada (Standard Indemnity), Canadian Homestead, Canadian Superior, Chevron Standard, Dome Petroleum, Hudson's Bay Oil and Gas (Continental Oil), Norel Energy, Nomatic Oil and Gas, PanCanadian Petroleum (Canadian Pacific) and Shell Canada.

Progas has invited "any interested producing company" to join. It wants to buy 500m cubic feet of gas daily for five years from producers whose supplies are not otherwise committed to export, and sell it to the U.S. using spare transmission capacity in the TransCanada pipeline system. The Foothills group has proposed exporting surplus western gas to the U.S. by pre-building southern portions of the Alaska Highway systems.

Sharp decline in first half earnings at BASF

BY GUY HAWTHIN

FRANKFURT, August 21

BASF, the second of the West German chemicals industry "big three" to report on the first half of 1978, has seen no real signs of improvement in the industry's prospects. Although, like Hoechst, things went a little better for BASF in the second quarter, the tone of the BASF report is rather more gloomy than that of its competitor.

The group, which is the most domestically orientated of the "big three" in terms of capital investment, saw turnover fall to just under the level of the opening six months of 1977. It was down 1.1 per cent from DM 10,740m to DM 10,630m (\$5,270m).

Earnings on the other hand, fell heavily. Pre-tax profits dropped by 19.3 per cent from DM 664m in the first half of 1977 to DM 538m. Capital investment rose by 11.7 per cent from DM 700m to DM 782m.

According to the interim report, a small improvement in

domestic business and operations outside Europe in the second quarter virtually offset the first quarter's sales decline. Group earnings were naturally hit by the weak levels of overall demand, although domestic earnings improved—despite falling prices—as a result of increased volume at home.

The parent concern, BASF AG, saw overall turnover decline rather more steeply than that of the group. It went down from just under DM 10bn in the comparable period of last year to DM 9.8bn—a fall of 3.7 per cent.

Domestic sales declined most steeply, falling by 5.9 per cent from DM 2,230m to DM 2,080m. Foreign sales fell back by 2 per cent from DM 2,780m to DM 2,720m. Pre-tax earnings were down a full 18.6 per cent from DM 322m to DM 268m.

As with the group, a second half upturn in the parent company's sales, to a level higher

than in the comparable period of 1977, did much to offset the first half's disappointing performance. This was also reflected in earnings. Second quarter profits were up on those of the same period of last year, and helped to mitigate the first quarter's earnings decline.

This improvement on the profits front was a result of a periodic operational earnings and temporary improvements in the currency situation. Although sales results continued downwards during the period, there were signs of a stabilisation in certain areas.

Utilisation of production capacity lay slightly under that of the same period of 1977. Capital investment went ahead at planned levels, rising by 12.8 per cent from DM 400m to DM 451m. The order situation was such that no meaningful improvement in business could be foreseen, the report said.

Satisfactory progress for Kuehne and Nagel

BY JOHN WICKS

ZURICH, August 21

GROUP SALES of the international forwarding concern Kuehne and Nagel totalled SwFr 2,711m last year. This is below that of SwFr 2,980m recorded for 1976, partly because of the sale of a

major national market in West Germany, records 70 per cent of participation in another company in that year and partly because of the rise of the Swiss franc. The group's parent company is the Swiss-based Kuehne and Nagel International AG.

Despite the absolute fall in the group as a whole is seen by consolidated turnover and a worse than for last year, while decline in net profits of the Kuehne and Nagel is already holding company from looking optimistically towards SwFr 5,200m to SwFr 1,220m.

(SwFr 3,000), the family-owned group is satisfied with last year's progress. In terms of local currencies, there was a real growth of 8 per cent over 1976 figures.

Kuehne and Nagel, whose major national market in West Germany, records 70 per cent of participation in another company in that year and partly because of the rise of the Swiss franc. The group's parent company is the Swiss-based Kuehne and Nagel International AG.

Despite the absolute fall in the group as a whole is seen by consolidated turnover and a worse than for last year, while decline in net profits of the Kuehne and Nagel is already holding company from looking optimistically towards SwFr 5,200m to SwFr 1,220m.

Swiss bank bond issue

BY OUR OWN CORRESPONDENT

ZURICH, August 21

FOR THE financing of longer-term business, the Zurich-based Bank Leu AG—the smallest of the "big five"—is to issue SwFr 50m worth of 3½ per cent bonds from August 28 to August 31. The 10-year bonds will be offered at 101 per cent of face value.

Meanwhile, a Swiss bank consortium led by Swiss Bank Corporation, Basle, announced that

the SwFr 250m borrowing by the World Bank, subscriptions for which closed at the end of last week, was very successful. Subscriptions exceeded the sum by a considerable amount so that bonds had to be rationed out.

The 15-year bonds, which carried a coupon of 4½ per cent, were not subject to the 35 per cent limitation on non-resident investors' purchases.

EUROBONDS

Setback for UDS issue

BY FRANCIS GHILES

The bond markets were quiet yesterday. In the Deutsche Mark sector, a DM 100m private placement was announced for Credit National: lead manager is Commerzbank and the indicated terms of this placement include a coupon of 5½ per cent and an indicated pricing of 99½.

The secondary market was steady yesterday, with more buyers than sellers. The UDS bond, however, was faring less well, being quoted at 97½ on the bid side.

In the domestic bond market, the Bundesbank only had to buy DM 6½m worth of bonds, less than on most days last week. In the dollar sector, prices of straight bonds were a little easier, but floating rate notes held up better.

In the Swiss Franc sector, Brazil's Banco Nacional do Desenvolvimento Economico is arranging a SwFr 75m 10-year bond with an indicated coupon of 5 per cent, through a group of banks led by Credit Suisse.

ESAB loss greater than forecast

By John Walker

STOCKHOLM, August 21. ESAB, the Swedish welding equipment manufacturer, had a loss in the first half of this year larger than forecast.

The pre-tax loss for the first half was Skr 61m (\$8.3m), the company wrote a pre-tax profit of Skr 8m in the first half of 1977. At its board meeting held last February, the board recommended a cut in the dividend from Skr 9 to Skr 7 per share, due to a sharp profit loss for 1977.

Group sales for the whole of last year amounted to Skr 1,350m. The general downturn in the major sectors of industry and shipbuilding was one of the major factors in the concern's poor performance, and the outlook is not bright, the interim report suggests.

The company does say that the second half will be no worse than the first half. Sales during the first half of this year rose to Skr 685m (\$156m) compared with Skr 602m (\$145m) in the same period in 1977. The group's total assets amounted to Skr 745m in the first half compared with Skr 631m.

Slavenburg's Bank

SLAVENBURG'S Bank net profit rose 21 per cent to Fl 15.7m (\$7.3m) in the first half of 1978, writes Charles Batchelor from Amsterdam. This was achieved on an increase of only five per cent in the Rotterdam-based bank's balance sheet total to Fl 7.81bn (\$3.63bn) in the six months to the end of June.

THE PHILIPPINE INVESTMENT COMPANY S.A.

Net Asset Value as of July 31st, 1978 U.S.\$12.49

Listed Luxembourg Stock Exchange
Agent:
Banque Generale du Luxembourg
Investment Bankers
Maffei, Pacific Securities S.A.

Lear Siegler bid for Cross

FRASER, August 21

CROSS COMPANY makers of automated metalworking machines, said it has received an offer from Lear Siegler to acquire a majority of its outstanding common shares in exchange for Lear Siegler common stock with a market value of \$80 per Cross share, and to purchase the remaining Cross shares for \$90 a share in cash.

The proposed transaction would have a value of more than \$105m.

Earlier this month Cross and Kearney and Trecker, manufacturers of machining centres and milling machines, said they had agreed in principle to merge their operations.

AP-DJ

Subaru shows rapid growth

BY JOHN WYLES

NEW YORK, August 21

AN 80 per cent increase in net income over the nine-month period to July 31 on nearly double the sales volume is predicted by Subaru of America, the importer of small cars built by Fuji Heavy Industries of Japan.

Subaru's progress this year has been remarkable in the face of price increases forced on all Japanese car companies by the rise of the Yen against the Dollar. By the end of July, this had helped to reduce sales of the largest Japanese importer, Toyota, by 9.5 per cent and at Datsun by 8.4, but these losses have been substantially offset by sales gains at Subaru, and also Honda and Mazda.

Mr. Robert Reich, Subaru's

treasurer and executive vice-president for finance, said that in the nine months an expanded product line will have helped take Subaru to an 80 per cent increase over last year's net income of \$2.8m, or 48 cents a share. Sales in the third quarter ended July 31 could be "more than \$110m" compared with \$56.2m in the same period last year. Net income would be up to 115 per cent higher than in last year's quarter. He projected a 46 per cent rise in net income for fiscal 1978 over last year's \$4.3m. He thought sales would be in the area of \$400m compared with sales of \$236.5m in 1977.

In the first seven months of this year, Subaru dealers have sold 57,496 models compared with 43,241, a 32 per cent gain. In the same period, Mazda sales have shot up 49.3 per cent and Honda's by 14.1 per cent. As a result, dealer sales of Japanese cars had fallen only 4.4 per cent by the end of July, despite a string of price increases.

The dollar/yen rate instability is increasing the pressure on the major Japanese manufacturers to build assembly plants in the U.S., but at the moment Honda is the only one with reasonably firm plans. A team from Nissan, which manufactures Datsun cars, has been carrying out a feasibility study but no decision has yet been announced.

This year, Subaru dealers have sold 57,496 models compared with 43,241, a 32 per cent gain. In the same period, Mazda sales have shot up 49.3 per cent and Honda's by 14.1 per cent. As a result, dealer sales of Japanese cars had fallen only 4.4 per cent by the end of July, despite a string of price increases.

The dollar/yen rate instability is increasing the pressure on the major Japanese manufacturers to build assembly plants in the U.S., but at the moment Honda is the only one with reasonably firm plans. A team from Nissan, which manufactures Datsun cars, has been carrying out a feasibility study but no decision has yet been announced.

RAFINOR

Rafinor A/S & Co.

(A Limited Partnership owned 40% by Norsk Olje a.s, 30% by Norsk Hydro Produksjon a.s and 30% by Den norske stats oljeselskap a.s (Statoil))

U.S. \$85,000,000
Ten Year Multi-currency Loan

managed by

Hambros Bank Limited

Bank of Montreal

Citicorp International Group

Compagnie Financière de la Deutsche Bank AG

European Banking Company Limited

Skandinaviska Enskilda Banken

Toronto Dominion Bank

Andresens Bank A.S.

Bergen Bank A/S

Den norske Creditbank

to be provided by

Andresens Bank A.S.

Bank of Montreal

The Bank of Nova Scotia Trust Company (United Kingdom) Limited

Banque Nationale de Paris

Banque Norddeutsche S.A.

Bergen Bank International S.A.

Canadian Imperial Bank of Commerce

Citibank, N.A.

Compagnie Financière de la Deutsche Bank AG

Den norske Creditbank (Luxembourg) S.A.

European Banking Company Limited

Hambros Bank Limited

International Commercial Bank Limited

Midland Bank Limited

National Westminster Bank Group

The Royal Bank of Canada

The Royal Bank of Scotland Limited

Skandinaviska Enskilda Banken

Toronto Dominion Bank

WestLB International S.A.

Agent Bank

Hambros Bank Limited

August, 1978

All of these Securities have been sold. This announcement appears as a matter of record only.

Not a New Issue

1,500,000 Shares
Avon Products, Inc.

Capital Stock

(par value \$.50)

MORGAN STANLEY & CO.

E. K. HUTTON & COMPANY INC.

THE FIRST BOSTON CORPORATION

MERRILL LYNCH WHITE PETER & SMITH INCORPORATED

DEAN WITTER REYNOLDS INC.

RACHE HALSEY STUART SHIELDS

BLYTH EASTMAN DILLON & CO.

DILLON, READ & CO. INC. DONALDSON, LUFKIN & JENNETTE

DREXEL BURNHAM LAMBERT

KIDDER, PEABODY & CO. LAZARD FRERES & CO.

LEHMAN BROTHERS Kuhn LOEB

PAINE, WEBBER, JACKSON & CURTIS

SMITH BARNEY, HARRIS UPHAM & CO.

WERTHEIM & CO., INC.

BEAR, STEARNS & CO.

SHEARSON HAYDEN STONE INC.

ATLANTIC CAPITAL AND SECURITIES CORPORATION

BASLE SECURITIES CORPORATION

EUROPARTNERS SECURITIES CORPORATION

ROBERT FLEMING

HUDSON SECURITIES, INC.

KLEINWORT, BENSON

MORGAN GRENFELL & CO.

NEW COURT SECURITIES CORPORATION

SCANDINAVIAN SECURITIES CORPORATION

BOGEN-SWISS INTERNATIONAL CORPORATION

NOMURA SECURITIES INTERNATIONAL, INC.

CAZENOVE INCORPORATED

DAIWA SECURITIES AMERICA INC.

THE NIKKO SECURITIES CO.

PICTET INTERNATIONAL

VEREINS-UND WESTBANK

YAMAICHI INTERNATIONAL (AMERICA), INC.

August 17, 1978

FINANCIAL AND COMPANY NEWS

Five Boussac factories to be closed

BY DAVID WHITE

PARIS, August 21.

IVE OF the Boussac Textile group's 19 factories in the Vosges region of Eastern France are expected to close under the Agache-Willot takeover plan approved by the Paris Commercial Tribunal on Friday.

The majority of the employees in these plants are promised retraining for other jobs in a programme of cutbacks which reduces the group's 4,700-strong workforce in the region by a net 200. A further 600 in total are to be regrettably.

A complete plan for the 11,500 employees in the Boussac group with its 11,500 employees is not expected to be merged before another fortnight or so.

The Agache-Willot group, whose Fr 700m (\$160m) bid was revised in order to win the day

against the Bidermann men's-ware concern, will take over management of the Boussac group immediately although the business will remain under the aegis of the tribunal for another year.

The tribunal took direct control of Boussac after granting a stay on creditors' claims against the company three months ago.

After this initial period, Agache-Willot expects to have reached agreement with the creditor banks, which backed its bid, on a schedule for the repayment of the Fr 300m to Fr 400m they are owed.

An initial repayment instalment, including to the state, owed over Fr 100m, is expected immediately, the funds coming from the proceeds of M. Marcel Boussac's property interests. The

remainder will be paid over 15 years.

M. Boussac, apparently ailing, has given his consent to the takeover, although he had come out firmly in favour of the rival bid.

The solution was welcomed as "significant and exemplary" by M. Andre Giraud, the Industry Minister. The rival bid had had the support of the Government's Industrial Development Institute.

The takeover is being carried out through Saint-Freres, a subsidiary 61 per cent owned by the Agache-Willot holding company, Saint-Freres, a joint company bought by the Willots in 1969 and transformed into a plastic packaging outfit, has already been used as an intermediary for other acquisitions.

It is expected now to become the instrument for restructuring the group's manufacturing activities.

tomorrow in all the group's factories.

M. Antoine Willot, one of the four brothers who run the Agache-Willot group, has been seeking to restore confidence in the factories, where it is feared, on the basis of the Willot's previous takeovers, that the cutbacks will be much more drastic than announced.

The takeover is being carried out through Saint-Freres, a subsidiary 61 per cent owned by the Agache-Willot holding company, Saint-Freres, a joint company bought by the Willots in 1969 and transformed into a plastic packaging outfit, has already been used as an intermediary for other acquisitions.

It is expected now to become the instrument for restructuring the group's manufacturing activities.

Rennies executives in currency inquiries

By Our Own Correspondent

JOHANNESBURG, August 21.

IX SENIOR executives of Rennie's Consolidated Holdings, the listed subsidiary of Anglo-American, are under investigation by the Reserve Bank and the Johannesburg Stock Exchange Control Commission.

Rennie's subsidiaries and associated companies in Malawi, the UK, Rhodesia, Lesotho, Botswana, Swaziland, Malawi, the UK, Rhodesia, Lesotho, Botswana, Swaziland and the Transkei.

Sources in the South African Treasury said at the weekend that the group itself was not involved in any allegations of Exchange Control infringement.

The shares of Rennie's, whose interim dividend for the six months to June 30 was expected tomorrow, fell 8 cents to 112 cents on the Johannesburg Stock Exchange today.

New terms for SNCF loan

By Francis Ghilès

THE French State railway company SNCF has renegotiated the terms of the \$250m facility which it had originally agreed with banks earlier this summer. It will now pay a spread of 1 per cent for seven years with five years' grace. These are the latest terms granted to a borrower on a major medium term facility since 1974.

Original terms included a spread of 1 per cent for the first three years rising to 1 1/2 per cent for the last five. The lead manager, remains Credit Lyonnais and only one bank, Amrobank, has dropped out of the initial management group because it is unhappy with the new terms.

Since late June prime borrowers have succeeded in improving the terms on which they borrow, in particular the Electricity Council of the UK has recently raised a large loan for ten years on a split rate of 1 per cent for the first six years rising to 1 1/2 per cent.

Unlike the plan for the Electricity Council which was arranged by Japanese banks, this loan is being arranged by a group of European and U.S. banks.

Barlow Rand paper merger

BY RICHARD ROLES

JOHANNESBURG, August 21.

FOLLOWING Reed International's sale to Barlow Rand of its 52.5 per cent stake in the locally-quoted Reed Nampak, for a total consideration of R64.5m, Barlow Rand has completed what was always envisaged as the second leg of the deal, the merger of its own packaging and paper interests with those of Reed Nampak.

The "Barkpak" companies, as these Barlow Rand subsidiaries are known, consisting of Barlow Rand Paper Products and Reed Nampak, have been valued at R18.75m, with the terms assessed by two local merchant banks, Union Acceptances and Standard Merchant Bank. In return for the Barkpak companies being included into Reed Nampak, which is to change its name back to Nampak, Reed Nampak will issue 2.8m shares to Barlow Rand at 500c each and pay R4.75m.

The deal will raise Reed Nampak's share capital from R24m to R26.8m, and has indicated that it only wants 50 per cent of the enlarged group, or 14.7m shares, and has made arrangements to lay off any

excess to the Old Mutual, the largest South African investment institution. After buying Reed's 15m shares and after the issue of 2.8m via the Barkpak deal, Barlow Rand will be entitled to 17.8m Reed Nampak shares, so the Old Mutual will be buying 2.1m Reed Nampak for a total R18.3m.

This is Old Mutual's third largest off-market deal in as many months. It bought a large line of GFSA shares in late June for R10m and followed this up in July with the purchase of just under 5m Stansbury shares from UDCI, the local subsidiary of UDT, for R9.8m. The Old Mutual is also committed to buy any further Reed Nampak shares which may be tendered to Barlow Rand in terms of its stand-by offer at 400c, the price at which it bought control from Reed International.

The document initially issued in connection with the change of control recorded that "if all the outside shares are so offered (it) would involve approximately R35m". With Reed Nampak now 500c in Johannesburg, Old Mutual is not likely to pick up much stock under the standby offer, which

runs to September 8, unless there is a sharp break in the market meanwhile, but the commitment remains a massive one in local market terms.

Acquisition of the Barkpak companies will add 3c per share to Reed Nampak's earnings, 75c over the 12 months to June 30. This suggests these companies must have made over R2m of net attributable profits for the period against R18m for Reed Nampak. The acquisition will reduce Reed Nampak's net asset value from R25c based on the unaudited balance sheet at June 30 to 308c, indicating that just over R4m of the purchase price for Barkpak is goodwill.

The combined group will be capitalised at R134m on current prices and will be the major paper and packing group in the republic, roughly twice the size of Koller Bros., the Union Corporation subsidiary which is its nearest rival. Koller Bros., with Sappi, was involved in Reed International's earlier attempt to sell its Reed Nampak stake in January, when the problematical Stanger pulp and paper mill was also part of the deal.

IEL raises McIlwraith offer

BY JAMES FORTH

SYDNEY, August 21.

INDUSTRIAL Equity, a corporate takeover specialist, has stepped up its efforts to acquire shipping group, McIlwraith, after Sir Ian Poter, who is on the board of TNT which is headed by Sir Peter Abeles.

The third largest holder in McIlwraith is merchant bank group, Tricentennial Corporation, which is also closely associated with Sir Ian and has Sir Peter as a director. Tricentennial until last year held just over 20 per cent of the capital but sold 5 per cent to interests associated with Sir Ian and 6 per cent to TNT.

Earlier this year Tricentennial received a \$45,350m or \$A2.43 a share bid from Torenia, a holding company, whose promoters are also major shareholders in Tricentennial.

The Tricentennial board has been lifted from \$A2.50 a share to \$A3.00. The formal documents will be sent out around September 11 at which time IEL also expects to announce details of a capital reconstruction for the group.

It has since been disclosed that shares, which if successful would Thomas Nationwide Transport, give it just over 10 per cent

more of McIlwraith and take its holding to about 30 per cent compared with close to 40 per cent current board's camp.

The IEL directors said they considered the main attraction of Tricentennial was its remaining holding in Torenia, which has been described as a long range holding, and asked for an assurance that this stake was not already subject to any commitment, understanding or arrangement to any other person or otherwise.

The Tricentennial offer will be unconditional because IEL considers that the major shareholders who are also promoters of Torenia are unlikely to accept. This would therefore ensure that those other Tricentennial holders wishing to sell.

McIlwraith's partial bid has been lifted from \$A2.50 a share to \$A3.00. The formal documents will be sent out around September 11 at which time IEL also expects to announce details of a capital reconstruction for the group.

It has since been disclosed that shares, which if successful would Thomas Nationwide Transport, give it just over 10 per cent

more of McIlwraith and take its holding to about 30 per cent compared with close to 40 per cent current board's camp.

The IEL directors said they considered the main attraction of Tricentennial was its remaining holding in Torenia, which has been described as a long range holding, and asked for an assurance that this stake was not already subject to any commitment, understanding or arrangement to any other person or otherwise.

The Tricentennial offer will be unconditional because IEL considers that the major shareholders who are also promoters of Torenia are unlikely to accept. This would therefore ensure that those other Tricentennial holders wishing to sell.

McIlwraith's partial bid has been lifted from \$A2.50 a share to \$A3.00. The formal documents will be sent out around September 11 at which time IEL also expects to announce details of a capital reconstruction for the group.

It has since been disclosed that shares, which if successful would Thomas Nationwide Transport, give it just over 10 per cent

Norwegian shipping groups optimistic

BY FAY GJETER

OSLO, August 21.

TWO LEADING Norwegian shipping groups have reported satisfactory operating results during the first half of 1978, and both are relatively optimistic about the rest of the year.

With Wilhelmsson, Norway's largest shipping concern, says total 1978 operating profits, including financial income, but before interest and depreciation, are likely to reach Nkr 400m, compared with Nkr 344.5m in 1977. However capital input this year is higher than in 1977, so the return on capital will be about the same as last year. Financial income is expected to be "significant," as it was last year, and the net profit of the various shipping companies in the group will be little changed. Though most of Wilhelmsson's

fleet, numbering some 60 vessels, are still employed, the company expects the world tanker supply to be tight for several years, yet, and in consequence sold two ships (Templar and Tureman) during the half year. It was also obliged to lay up two of its VLCCs, the Tartar and Tundra.

During a brief upswing in bulk market rates, otherwise weak this year, the group fixed a couple of its ships at the better rate, and succeeded in selling a 63,000 ton bulk carrier, Takabira.

In the offshore sector, all the group's rigs were continuously employed, and earnings by its fleet of supply vessels were higher than expected. The liner trade shows varying results, but overall profits were about 15

per cent higher than budget forecasts. Four liner vessels were sold in the period, and a further three have been sold for hand-over before the end of the year as part of a programme to modernise the liner fleet.

The other shipping group, Sig. Bergesen d.y. and Co., reports an increase in liquidity and increased financial earnings, which are expected more or less to offset lower profits by one of the group's companies, Signalum. Unchanged profits are foreseen for the other companies, provided there are no drastic changes in the foreign exchange values.

The group has negotiated delivery delays for several ships, but has on order, including two 330,000 ton d.w. tankers to be

built by Mitsui of Japan. These will now be delivered in the first half of 1980 and the first half of 1981. Instead of December 1979 and August 1980 as originally agreed. A 75,000 cubic metre gas tanker ordered from a Finnish yard will be delivered in the third quarter of 1979 instead of 1978.

Bergesen has also taken over the contracts for two other gas tankers, originally ordered by Fearley and Eger, and due for delivery at the end of 1978 and in the second quarter of 1979. It now foresees that all three ships will have to be laid up for a time after delivery, in view of poor market prospects, but since two of them are already started, only the third will be laid up for owners' accounts.

| STRAIGHTS | Offer | STRAIGHTS | Offer |
|--------------------------|--------|--------------------------|--------|
| Alcan Australia 8pc 1989 | 87 1/2 | Alcan Australia 8pc 1989 | 87 1/2 |
| Alcan 8pc 1987 | 84 | Alcan 8pc 1987 | 84 |
| Alcan 8pc 1988 | 84 | Alcan 8pc 1988 | 84 |
| Alcan 8pc 1989 | 84 | Alcan 8pc 1989 | 84 |
| Alcan 8pc 1990 | 84 | Alcan 8pc 1990 | 84 |
| Alcan 8pc 1991 | 84 | Alcan 8pc 1991 | 84 |
| Alcan 8pc 1992 | 84 | Alcan 8pc 1992 | 84 |
| Alcan 8pc 1993 | 84 | Alcan 8pc 1993 | 84 |
| Alcan 8pc 1994 | 84 | Alcan 8pc 1994 | 84 |
| Alcan 8pc 1995 | 84 | Alcan 8pc 1995 | 84 |
| Alcan 8pc 1996 | 84 | Alcan 8pc 1996 | 84 |
| Alcan 8pc 1997 | 84 | Alcan 8pc 1997 | 84 |
| Alcan 8pc 1998 | 84 | Alcan 8pc 1998 | 84 |
| Alcan 8pc 1999 | 84 | Alcan 8pc 1999 | 84 |
| Alcan 8pc 2000 | 84 | Alcan 8pc 2000 | 84 |
| Alcan 8pc 2001 | 84 | Alcan 8pc 2001 | 84 |
| Alcan 8pc 2002 | 84 | Alcan 8pc 2002 | 84 |
| Alcan 8pc 2003 | 84 | Alcan 8pc 2003 | 84 |
| Alcan 8pc 2004 | 84 | Alcan 8pc 2004 | 84 |
| Alcan 8pc 2005 | 84 | Alcan 8pc 2005 | 84 |
| Alcan 8pc 2006 | 84 | Alcan 8pc 2006 | 84 |
| Alcan 8pc 2007 | 84 | Alcan 8pc 2007 | 84 |
| Alcan 8pc 2008 | 84 | Alcan 8pc 2008 | 84 |
| Alcan 8pc 2009 | 84 | Alcan 8pc 2009 | 84 |
| Alcan 8pc 2010 | 84 | Alcan 8pc 2010 | 84 |
| Alcan 8pc 2011 | 84 | Alcan 8pc 2011 | 84 |
| Alcan 8pc 2012 | 84 | Alcan 8pc 2012 | 84 |
| Alcan 8pc 2013 | 84 | Alcan 8pc 2013 | 84 |
| Alcan 8pc 2014 | 84 | Alcan 8pc 2014 | 84 |
| Alcan 8pc 2015 | 84 | Alcan 8pc 2015 | 84 |
| Alcan 8pc 2016 | 84 | Alcan 8pc 2016 | 84 |
| Alcan 8pc 2017 | 84 | Alcan 8pc 2017 | 84 |
| Alcan 8pc 2018 | 84 | Alcan 8pc 2018 | 84 |
| Alcan 8pc 2019 | 84 | Alcan 8pc 2019 | 84 |
| Alcan 8pc 2020 | 84 | Alcan 8pc 2020 | 84 |
| Alcan 8pc 2021 | 84 | Alcan 8pc 2021 | 84 |
| Alcan 8pc 2022 | 84 | Alcan 8pc 2022 | 84 |
| Alcan 8pc 2023 | 84 | Alcan 8pc 2023 | 84 |
| Alcan 8pc 2024 | 84 | Alcan 8pc 2024 | 84 |
| Alcan 8pc 2025 | 84 | Alcan 8pc 2025 | 84 |
| Alcan 8pc 2026 | 84 | Alcan 8pc 2026 | 84 |
| Alcan 8pc 2027 | 84 | Alcan 8pc 2027 | 84 |
| Alcan 8pc 2028 | 84 | Alcan 8pc 2028 | 84 |
| Alcan 8pc 2029 | 84 | Alcan 8pc 2029 | 84 |
| Alcan 8pc 2030 | 84 | Alcan 8pc 2030 | 84 |
| Alcan 8pc 2031 | 84 | Alcan 8pc 2031 | 84 |
| Alcan 8pc 2032 | 84 | Alcan 8pc 2032 | 84 |
| Alcan 8pc 2033 | 84 | Alcan 8pc 2033 | 84 |
| Alcan 8pc 2034 | 84 | Alcan 8pc 2034 | 84 |
| Alcan 8pc 2035 | 84 | Alcan 8pc 2035 | 84 |
| Alcan 8pc 2036 | 84 | Alcan 8pc 2036 | 84 |
| Alcan 8pc 2037 | 84 | Alcan 8pc 2037 | 84 |
| Alcan 8pc 2038 | 84 | Alcan 8pc 2038 | 84 |
| Alcan 8pc 2039 | 84 | Alcan 8pc 2039 | 84 |
| Alcan 8pc 2040 | 84 | Alcan 8pc 2040 | 84 |
| Alcan 8pc 2041 | 84 | Alcan 8pc 2041 | 84 |
| Alcan 8pc 2042 | 84 | Alcan 8pc 2042 | 84 |
| Alcan 8pc 2043 | 84 | Alcan 8pc 2043 | 84 |
| Alcan 8pc 2044 | 84 | Alcan 8pc 2044 | 84 |
| Alcan 8pc 2045 | 84 | Alcan 8pc 2045 | 84 |
| Alcan 8pc 2046 | 84 | Alcan 8pc 2046 | 84 |
| Alcan 8pc 2047 | 84 | Alcan 8pc 2047 | 84 |
| Alcan 8pc 2048 | 84 | Alcan 8pc 2048 | 84 |
| Alcan 8pc 2049 | 84 | Alcan 8pc 2049 | 84 |
| Alcan 8pc 2050 | 84 | Alcan 8pc 2050 | 84 |
| Alcan 8pc 2051 | 84 | Alcan 8pc 2051 | 84 |
| Alcan 8pc 2052 | 84 | Alcan 8pc 2052 | 84 |
| Alcan 8pc 2053 | 84 | Alcan 8pc 2053 | 84 |
| Alcan 8pc 2054 | 84 | Alcan 8pc 2054 | 84 |
| Alcan 8pc 2055 | 84 | Alcan 8pc 2055 | 84 |
| Alcan 8pc 2056 | 84 | Alcan 8pc 2056 | 84 |
| Alcan 8pc 2057 | 84 | Alcan 8pc 2057 | 84 |
| Alcan 8pc 2058 | 84 | Alcan 8pc 2058 | 84 |
| Alcan 8pc 2059 | 84 | Alcan 8pc 2059 | 84 |
| Alcan 8pc 2060 | 84 | Alcan 8pc 2060 | 84 |
| Alcan 8pc 2061 | 84 | Alcan 8pc 2061 | 84 |
| Alcan 8pc 2062 | 84 | Alcan 8pc 2062 | 84 |
| Alcan 8pc 2063 | 84 | Alcan 8pc 2063 | 84 |
| Alcan 8pc 2064 | 84 | Alcan 8pc 2064 | 84 |
| Alcan 8pc 2065 | 84 | Alcan 8pc 2065 | 84 |
| Alcan 8pc 2066 | 84 | Alcan 8pc 2066 | 84 |
| Alcan 8pc 2067 | 84 | Alcan 8pc 2067 | 84 |
| Alcan 8pc 2068 | 84 | Alcan 8pc 2068 | 84 |
| Alcan 8pc 2069 | 84 | Alcan 8pc 2069 | 84 |
| Alcan 8pc 2070 | 84 | Alcan 8pc 2070 | 84 |
| Alcan 8pc 2071 | 84 | Alcan 8pc 2071 | 84 |
| Alcan 8pc 2072 | 84 | Alcan 8pc 2072 | 84 |
| Alcan 8pc 2073 | 84 | Alcan 8pc 2073 | 84 |
| Alcan 8pc 2074 | 84 | Alcan 8pc 2074 | 84 |
| Alcan 8pc 2075 | 84 | Alcan 8pc 2075 | 84 |
| Alcan 8pc 2076 | 84 | Alcan 8pc 2076 | 84 |
| Alcan 8pc 2077 | 84 | Alcan 8pc 2077 | 84 |
| Alcan 8pc 2078 | 84 | Alcan 8pc 2078 | 84 |
| Alcan 8pc 2079 | 84 | Alcan 8pc 2079 | 84 |
| Alcan 8pc 2080 | 84 | Alcan 8pc 2080 | 84 |
| Alcan 8pc 2081 | 84 | Alcan 8pc 2081 | 84 |
| Alcan 8pc 2082 | 84 | Alcan 8pc 2082 | 84 |
| Alcan 8pc 2083 | 84 | Alcan 8pc 2083 | 84 |
| Alcan 8pc 2084 | 84 | Alcan 8pc 2084 | 84 |
| Alcan 8pc 2085 | 84 | Alcan 8pc 2085 | 84 |
| Alcan 8pc 2086 | 84 | Alcan 8pc 2086 | 84 |
| Alcan 8pc 2087 | 84 | Alcan 8pc 2087 | 84 |
| Alcan 8pc 2088 | 84 | Alcan 8pc 2088 | 84 |
| Alcan 8pc 2089 | 84 | Alcan 8pc 2089 | 84 |
| Alcan 8pc 2090 | 84 | Alcan 8pc 2090 | 84 |
| Alcan 8pc 2091 | 84 | Alcan 8pc 2091 | 84 |
| Alcan 8pc 2092 | 84 | Alcan 8pc 2092 | 84 |
| Alcan 8pc 2093 | 84 | Alcan 8pc 2093 | 84 |
| Alcan 8pc 2094 | 84 | Alcan 8pc 2094 | 84 |
| Alcan 8pc 2095 | 84 | Alcan 8pc 2095 | 84 |
| Alcan 8pc 2096 | 84 | Alcan 8pc 2096 | 84 |
| Alcan 8pc 2097 | 84 | Alcan 8pc 2097 | 84 |
| Alcan 8pc 2098 | 84 | Alcan 8pc 2098 | 84 |
| Alcan 8pc 2099 | 84 | Alcan 8pc 2099 | 84 |
| Alcan 8pc 2100 | 84 | Alcan 8pc 2100 | 84 |
| Alcan 8pc 2101 | 84 | Alcan 8pc 2101 | 84 |
| Alcan 8pc 2102 | 84 | Alcan 8pc 2102 | 84 |
| Alcan 8pc 2103 | 84 | Alcan 8pc 2103 | 84 |
| Alcan 8pc 2104 | 84 | Alcan 8pc 2104 | 84 |
| Alcan 8pc 2105 | 84 | Alcan 8pc 2105 | 84 |
| Alcan 8pc 2106 | 84 | Alcan 8pc 2106 | 84 |
| Alcan 8pc 2107 | 84 | Alcan 8pc 2107 | 84 |
| Alcan 8pc 2108 | 84 | Alcan 8pc 2108 | 84 |
| Alcan 8pc 2109 | 84 | Alcan 8pc 2109 | 84 |
| Alcan 8pc 2110 | 84 | Alcan 8pc 2110 | 84 |
| Alcan 8pc 2111 | 84 | Alcan 8pc 2111 | 84 |
| Alcan 8pc 2112 | 84 | Alcan 8pc 2112 | 84 |
| Alcan 8pc 2113 | 84 | Alcan 8pc 2113 | 84 |
| Alcan 8pc 2114 | 84 | Alcan 8pc 2114 | 84 |
| Alcan 8pc 2115 | 84 | Alcan 8pc 2115 | 84 |
| Alcan 8pc 2116 | 84 | Alcan 8pc 2116 | 84 |
| Alcan 8pc 2117 | 84 | Alcan 8pc 2117 | 84 |
| Alcan 8pc 2118 | 84 | Alcan 8pc 2118 | 84 |
| Alcan 8pc 2119 | 84 | Alcan 8pc 2119 | 84 |
| Alcan 8pc 2120 | 84 | Alcan 8pc 2120 | 84 |
| Alcan 8pc 2121 | 84 | Alcan 8pc 2121 | 84 |
| Alcan 8pc 2122 | 84 | Alcan 8pc 2122 | 84 |
| Alcan 8pc 2123 | 84 | Alcan 8pc 2123 | 84 |
| Alcan 8pc 2124 | 84 | Alcan 8pc 2124 | 84 |
| Alcan 8pc 2125 | 84 | Alcan 8pc 2125 | 84 |
| Alcan 8pc 2126 | 84 | Alcan 8pc 2126 | 84 |
| Alcan 8pc 2127 | 84 | Alcan 8pc 2127 | 84 |
| Alcan 8pc 2128 | 84 | Alcan 8pc 2128 | 84 |
| Alcan 8pc 2129 | 84 | Alcan 8pc 2129 | 84 |
| Alcan 8pc 2130 | 84 | Alcan 8pc 2130 | 84 |
| Alcan 8pc 2131 | 84 | Alcan 8pc 2131 | 84 |
| Alcan 8pc 2132 | 84 | Alcan 8pc 2132 | 84 |
| Alcan 8pc 2133 | 84 | Alcan 8pc 2133 | 84 |
| Alcan 8pc 2134 | 84 | Alcan 8pc 2134 | 84 |
| Alcan 8pc 2135 | 84 | Alcan 8pc 2135 | 84 |
| Alcan 8pc 2136 | 84 | Alcan 8pc 2136 | 84 |
| Alcan 8pc 2137 | 84 | Alcan 8pc 2137 | 84 |
| Alcan 8pc 2138 | 84 | Alcan 8pc 2138 | 84 |
| Alcan 8pc 2139 | 84 | Alcan 8pc 2139 | 84 |
| Alcan 8pc 2140 | 84 | Alcan 8pc 2140 | 84 |
| Alcan 8pc 2141 | 84 | Alcan 8pc 2141 | 84 |
| Alcan 8pc 2142 | 84 | Alcan 8pc 2142 | 84 |
| Alcan 8pc 2143 | 84 | Alcan 8pc 2143 | 84 |
| Alcan 8pc 2144 | 84 | Alcan 8pc 2144 | 84 |
| Alcan 8pc 2145 | 84 | Alcan 8pc 2145 | 84 |
| Alcan 8pc 2146 | 84 | Alcan 8pc 2146 | 84 |
| Alcan 8pc 2147 | 84 | Alcan 8pc 2147 | 84 |
| Alcan 8pc 2148 | 84 | Alcan 8pc 2148 | 84 |
| Alcan 8pc 2149 | 84 | Alcan 8pc 2149 | 84 |
| Alcan 8pc 2150 | 84 | Alcan 8pc 2150 | 84 |
| Alcan 8pc 2151 | 84 | Alcan 8pc 2151 | 84 |
| Alcan 8pc 2152 | 84 | Alcan 8pc 2152 | 84 |
| Alcan 8pc 2153 | 84 | Alcan 8pc 2153 | 84 |
| Alcan 8pc 2154 | 84 | Alcan 8pc 2154 | 84 |
| Alcan 8pc 2155 | 84 | Alcan 8pc 2155 | 84 |
| Alcan 8pc 2156 | 84 | Alcan 8pc 2156 | 84 |
| Alcan 8pc 2157 | 84 | Alcan 8pc 2157 | 84 |
| Alcan 8pc 2158 | 84 | Alcan 8pc 2158 | 84 |
| Alcan 8pc 2159 | 84 | Alcan 8pc 2159 | 84 |
| Alcan 8pc 2160 | 84 | Alcan 8pc 2160 | 84 |
| Alcan 8pc 2161 | 84 | Alcan 8pc 2161 | 84 |
| Alcan 8pc 2162 | 84 | Alcan 8pc 2162 | 84 |
| Alcan 8pc 2163 | 84 | Alcan 8pc 2163 | 84 |
| Alcan 8pc 2164 | 84 | Alcan 8pc 2164 | 84 |
| Alcan 8pc 2165 | 84 | Alcan 8pc 2165 | 84 |
| Alcan 8pc 2166 | 84 | Alcan 8pc 2166 | 84 |
| Alcan 8pc 2167 | 84 | Alcan 8pc 2167 | 84 |
| Alcan 8pc 2168 | 84 | Alcan 8pc 2168 | 84 |
| Alcan 8pc 2169 | 84 | Alcan 8pc 2169 | 84 |
| Alcan 8pc 2170 | 84 | Alcan 8pc 2170 | 84 |
| Alcan 8pc 2171 | 84 | Alcan 8pc 2171 | 84 |
| Alcan 8pc 2172 | 84 | Alcan 8pc 2172 | 84 |
| Alcan 8pc 2173 | 84 | Alcan 8pc 2173 | 84 |
| Alcan 8pc 2174 | 84 | Alcan 8pc 2174 | 84 |
| Alcan 8pc 2175 | 84 | Alcan 8pc 2175 | 84 |
| Alcan 8pc 2176 | 84 | Alcan 8pc 2176 | 84 |
| Alcan 8pc 2177 | 84 | Alcan 8pc 2177 | 84 |
| Alcan 8pc 2178 | 84 | Alcan 8pc 2178 | 84 |
| Alcan 8pc 2179 | 84 | Alcan 8pc 2179 | 84 |
| Alcan 8pc 2180 | 84 | Alcan 8pc 2180 | 84 |
| Alcan 8pc 2181 | 84 | Alcan 8pc 2181 | 84 |
| Alcan 8pc 2182 | 84 | Alcan 8pc 2182 | 84 |
| Alcan 8pc 2183 | 84 | Alcan 8pc 2183 | 84 |
| Alcan 8pc 2184 | 84 | Alcan 8pc 2184 | 84 |
| Alcan 8pc 2185 | 84 | Alcan 8pc 2185 | 84 |
| Alcan 8pc 2186 | 84 | Alcan 8pc 2186 | 84 |
| Alcan 8pc 2187 | 84 | Alcan 8pc 2187 | 84 |
| Alcan 8pc 2188 | 84 | Alcan 8pc 2188 | 84 |
| Alcan 8pc 2189 | 84 | Alcan 8pc 2189 | 84 |
| Alcan 8pc 2190 | 84 | Alcan 8pc 2190 | 84 |
| Alcan 8pc 2191 | 84 | Alcan 8pc 2191 | 84 |
| Alcan 8pc 2192 | 84 | Alcan 8pc 2192 | 84 |
| Alcan 8pc 2193 | 84 | Alcan 8pc 2193 | 84 |
| Alcan 8pc 2194 | 84 | Alcan 8pc 2194 | 84 |
| Alcan 8pc 2195 | 84 | Alcan 8pc 2195 | 84 |
| Alcan 8pc 2196 | 84 | Alcan 8pc 2196 | 84 |
| Alcan 8pc 2197 | 84 | Alcan 8pc 2197 | 84 |
| Alcan 8pc 2198 | 84 | Alcan 8pc 2198 | 84 |
| Alcan 8pc 2199 | 84 | Alcan 8pc 2199 | 84 |
| Alcan 8pc 2200 | 84 | Alcan 8pc 2200 | 84 |
| Alcan 8pc 2201 | 84 | Alcan 8pc 2201 | 84 |
| Alcan 8pc 2202 | 84 | Alcan 8pc 2202 | 84 |
| Alcan 8pc 2203 | 84 | Alcan 8pc 2203 | 84 |
| Alcan 8pc 2204 | 84 | Alcan 8pc 2204 | 84 |
| Alcan 8pc 2205 | 84 | Alcan 8pc 2205 | 84 |
| Alcan 8pc 2206 | 84 | Alcan 8pc 2206 | 84 |
| Alcan 8pc 2207 | 84 | Alcan 8pc 2207 | 84 |
| Alcan 8pc 2208 | 84 | Alcan 8pc 2208 | 84 |
| Alcan 8pc 2209 | 84 | Alcan 8pc 2209 | 84 |
| Alcan 8pc 2210 | 84 | Alcan 8pc 2210 | 84 |
| Alcan 8pc 2211 | 84 | Alcan 8pc 2211 | 84 |
| Alcan 8pc 2212 | 84 | Alcan 8pc 2212 | 84 |
| Alcan 8pc 2213 | 84 | Alcan 8pc 2213 | 84 |
| Alcan 8pc 2214 | 84 | Alcan 8pc 2214 | 84 |
| Alcan 8pc 2215 | 84 | Alcan 8pc 2215 | 84 |
| Alcan 8pc 2216 | 84 | Alcan 8pc 2216 | 84 |
| Alcan 8pc 2217 | 84 | Alcan 8pc 2217 | 84 |
| Alcan 8pc 2218 | 84 | Alcan 8pc 2218 | 84 |
| Alcan 8pc 2219 | 84 | Alcan 8pc 2219 | 84 |
| Alcan 8pc 2220 | 84 | Alcan 8pc 2220 | 84 |
| Alcan 8pc 2221 | 84 | Alcan 8pc 2221 | 84 |
| Alcan 8pc 2222 | 84 | Alcan 8pc 2222 | 84 |
| Alcan 8pc 2223 | 84 | Alcan 8pc 2223 | 84 |
| Alcan 8pc 2224 | 84 | Alcan 8pc 2224 | 84 |
| Alcan 8pc 2225 | 84 | Alcan 8pc 2225 | 84 |
| Alcan 8pc 2226 | 84 | Alcan 8pc 2226 | 84 |
| Alcan 8pc 2227 | 84 | Alcan 8pc 2227 | 84 |
| Alcan 8pc 2228 | 84 | Alcan 8pc 2228 | 84 |
| Alcan 8pc 2229 | 84 | Alcan 8pc 2229 | 84 |
| Alcan 8pc 2230 | 84 | Alcan 8pc 2230 | 84 |
| Alcan 8pc 2231 | 84 | Alcan 8pc 2231 | 84 |
| Alcan 8pc 2232 | 84 | Alcan 8pc 2232 | 84 |
| Alcan 8pc 2233 | 84 | Alcan 8pc 2233 | 84 |
| Alcan 8pc 2234 | 84 | Alcan 8pc 2234 | 84 |
| Alcan 8pc 2235 | 84 | Alcan 8pc 2235 | 84 |
| Alcan 8pc 2236 | 84 | Alcan 8pc 2236 | 84 |
| Alcan 8pc 2237 | 84 | Alcan 8pc 2237 | 84 |
| Alcan 8pc 2238 | 84 | Alcan 8pc 2238 | 84 |
| Alcan 8pc 2239 | 84 | Alcan 8pc 2239 | 84 |
| Alcan 8pc 2240 | 84 | Alcan 8pc 2240 | 84 |
| Alcan 8pc 2241 | 84 | Alcan 8pc 2241 | 84 |
| Alcan 8pc 2242 | 84 | Alcan 8pc 2242 | 84 |
| | | | |

OFFSHORE AND OVERSEAS FUNDS

ALXANDER FUND
7, rue Notre Dame, Luxembourg
Alexander Fund, Ltd. S1754 1-1
Net Asset Value Aug 18

Arbutnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey 003472761
Cap. Inv. 125.0 125.0 1.486
Ord. Invest. 125.0 125.0 1.280
East Asia Tr. 125.0 125.0 1.280
Net Asset Value Aug 18

Australian Selection Fund NV
Market Opportunities, Cl. Irish Young &
US\$1 Shares. S05172 1-114
Net Asset Value August 17.

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.
Ord. Invest. 125.0 125.0 1.750
Prices at August 17. Next deal Aug 20.

Banque Bruxelles Lambert
2, Rue De La Recherche à 1070 Brussels
Renta Fund 11.705 1.854 +1.850

Bareilly Investment Ltd. (Ch. Inc.) Ltd.
1, Channing Cross, St. Helier, Jersey 003472761
Overseas Income 127.1 69.66 1.251
Ord. Invest. 125.0 125.0 1.750
Net Asset Value Aug 18

Barclays Unicom Int. (I.O. Nass) Ltd.
Robertson & Co. Ltd. withholding
Unicom Unit 127.4 61.88 1.530
Ord. Invest. 125.0 125.0 1.530
Net Asset Value Aug 18

Belshapoe Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.O.M. 003472911
Commodity 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Bridge Management Ltd.
P.O. Box 508, Grand Cayman, Cayman Is.
Nippon 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Britannia Trust Mgmt. (CI) Ltd.
30 Bath St., St. Helier, Jersey 003472114
Sterling Investment 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Brown Shipley Trust Co. (Jersey) Ltd.
P.O. Box 383, St. Helier, Jersey 003474777
Sterling Bond Fd. 125.24 10.38 1.120
Net Asset Value Aug 18

Butterfield Management Co. Ltd.
P.O. Box 106, Hamilton, Bermuda
Sterling Income 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Capital International S.A.
71 rue Notre-Dame, Luxembourg
Capital Int. Fund 125.0 125.0 1.120
Net Asset Value Aug 18

Charterhouse Japhet
1, Charterhouse Row, E.C.4
Africa 125.0 125.0 1.120
Asia 125.0 125.0 1.120
Europe 125.0 125.0 1.120
Net Asset Value Aug 18

Clive Investments (Jersey) Ltd.
P.O. Box 320, St. Helier, Jersey 003473761
Clive Bld Fd. (C.I.) 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Carroll Inc. (Guernsey) Ltd.
P.O. Box 127, St. Peter Port, Guernsey
Intl. Man. Fd. 125.0 125.0 1.120
Net Asset Value Aug 18

Delta Group
P.O. Box 5012, Nassau, Bahamas
Delta Inv. Aug 18 125.0 1.120
Net Asset Value Aug 18

Deutscher Investment Trust
Friedrichstrasse 100, D-10000 Frankfurt
Intl. Investment 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Dreyfus International Inv. Fd.
P.O. Box 13712, Nassau, Bahamas
NAV August 17 125.0 1.120
Net Asset Value Aug 18

Emson & Dudley Trust Mgt. (Jersey) Ltd.
P.O. Box 71, St. Helier, Jersey 003473561
E.D.I.C.T. Fund 125.0 125.0 1.120
Net Asset Value Aug 18

Eurobond Holdings N.V.
Randenbuis 25, Willemstad, Curacao
Eurobond 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

F. & C. Mgmt. Ltd. Inv. Advisors
12 Laurence Pountney Hill, E.C.4 O.S.A.
CentAsia Fd. 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Fidelity Mgmt. & Res. (Bda) Ltd.
P.O. Box 670, Hamilton, Bermuda
Fidelity Am. Inv. 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Fidelity Mgmt. Research (Jersey) Ltd.
Waterloo Road, Don St., St. Helier, Jersey
Fidelity (Intl.) 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

First Viking Commodity Trusts
S.S. George's St., Douglas, I.O.M.
Commodity 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Fleming Japan Fund S.A.
37, rue Notre-Dame, Luxembourg
Fleming August 17 125.0 1.120
Net Asset Value Aug 18

Free World Fund Ltd.
P.O. Box 104, Hamilton, Bermuda
NAV July 31 S1754 1-1
Net Asset Value Aug 18

G.T. Management Ltd.
Part 88, 16 Fitzroy Square, London E.C.2
Part 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Germore Invest. Ltd. Ltd. Agts.
P.O. Box 104, Hamilton, Bermuda
Germore Fund Mgmt. 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Germore Investment Mgmt. Ltd.
P.O. Box 104, Hamilton, Bermuda
Germore Intl. Fund 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Hambro Pacific Fund Mgmt. Ltd.
210, Connaught Court, Hong Kong
Part Aug 17 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Hambro Bank (Guernsey) Ltd.
Hambro Fd. Mgrs. (C.I.) Ltd.
C.I. Fund 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Henderson Barings Fund Mgrs. Ltd.
60, Gazonen House, Hong Kong
Japan Fd. Aug 17 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFevre St., Peter Port, Guernsey
Guernsey Tr. 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Hill Samuel Overseas Fund S.A.
37, Rue Notre-Dame, Luxembourg
Intl. Fund 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

International Pacific Inv. Mgmt. Ltd.
P.O. Box 127, 50 Pitt St., Sydney
Intl. Equity Fd. 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

J.E.T. Managers (Jersey) Ltd.
P.O. Box 104, Hamilton, Bermuda
NAV July 31 S1754 1-1
Net Asset Value Aug 18

Keyseal Mgmt. Jersey Ltd.
P.O. Box 34, St. Helier, Jersey 003472961
Keyseal Fund 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

King & Sharron Mgrs.
1, Channing Cross, St. Helier, Jersey 003472761
King & Sharron Fund 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Kleinwort Benson Limited
20, Fenchurch St., E.C.3
Kleinwort Fund 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

M & G Group
Three Crosses Tower Hill, E.C.2
M & G Fund 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Samuel Montagu Ltd. Agts.
114, Old Broad St., E.C.2
Samuel Montagu Fund 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Morris, Johnsons (Inv. Advisors)
40, Hope St., Glasgow, C.2
Hope St. Fd. 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Negit S.A.
10, Boulevard Royal, Luxembourg
NAV August 18 125.0 1.120
Net Asset Value Aug 18

Negit Ltd.
Bank of Bermuda Bldg., Hamilton, Bermuda
NAV Aug 6 125.0 1.120
Net Asset Value Aug 18

Phoenix International
P.O. Box 77, St. Peter Port, Guernsey
Intl. Dollar Fund 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Quest Fund Mgmt. (Jersey) Ltd.
P.O. Box 104, Hamilton, Bermuda
Quest Fund 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Richmond Life Ass. Ltd.
40, Abol Street, Douglas, L.O.M. 003473261
Richmond Life Fund 125.0 125.0 1.120
Ord. Invest. 125.0 125.0 1.120
Net Asset Value Aug 18

Robb & Co. (Guernsey) Ltd.
P.O. Box 104, Hamilton, Bermuda
Robb & Co. Fund 125.0 125.0 1.120
Ord. Invest. 125.0 1

INSURANCE BASE RATES

| | |
|--------------------------|---|
| Property Growth..... | 1 |
| Wanbrugh Guaranteed..... | 8 |

Address shown under Insurance and Property Bond Table.

NOTES

Prices do not include 5 premium, except where indicated, and are in pence unless otherwise indicated. Yields are based on last annual award for all living expenses. Offered prices include all expenses. 1 To-day's price. 2 Yield based on offer price. 3 Estimated. 4 To-day's opening price. 5 Distribution free of U.K. taxes. 6 Periodic premium insurance plans. 7 Single premium insurance. 8 Offered price includes all expenses except agent's commission. 9 Net of tax on realized gains. 10 Bought through managers. 11 Previous day's price.

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

Japan's leader in international securities and investment banking

NOMURA

The Nomura Securities Co., Ltd.

NOMURA EUROPE N.V. LONDON OFFICE:
Barter Street, London EC2A 4EJ. Phone: 01-636-5411, 6253

MINES—Continued

CENTRAL AFRICAN

| Stock | Price | % Chg | Div | Yield |
|-----------------|-------|-------|------|-------|
| Central African | 177 | +1.1 | 0.00 | 1.3 |
| Central African | 177 | +1.1 | 0.00 | 1.3 |

AUSTRALIAN

| Stock | Price | % Chg | Div | Yield |
|------------|-------|-------|------|-------|
| Australian | 139 | +1.1 | 0.00 | 1.4 |
| Australian | 139 | +1.1 | 0.00 | 1.4 |

TINS

| Stock | Price | % Chg | Div | Yield |
|-------|-------|-------|------|-------|
| Tins | 24 | +1.1 | 2.55 | 10.5 |
| Tins | 24 | +1.1 | 2.55 | 10.5 |

COPPER

| Stock | Price | % Chg | Div | Yield |
|--------|-------|-------|------|-------|
| Copper | 104 | +1.1 | 2.55 | 10.5 |
| Copper | 104 | +1.1 | 2.55 | 10.5 |

MISCELLANEOUS

| Stock | Price | % Chg | Div | Yield |
|---------------|-------|-------|------|-------|
| Miscellaneous | 77 | +1.1 | 0.00 | 1.3 |
| Miscellaneous | 77 | +1.1 | 0.00 | 1.3 |

NOTES

| Stock | Price | % Chg | Div | Yield |
|-------|-------|-------|------|-------|
| Notes | 104 | +1.1 | 2.55 | 10.5 |
| Notes | 104 | +1.1 | 2.55 | 10.5 |

TEAS

| Stock | Price | % Chg | Div | Yield |
|-------|-------|-------|------|-------|
| Teas | 104 | +1.1 | 2.55 | 10.5 |
| Teas | 104 | +1.1 | 2.55 | 10.5 |

MINES

| Stock | Price | % Chg | Div | Yield |
|-------|-------|-------|------|-------|
| Mines | 104 | +1.1 | 2.55 | 10.5 |
| Mines | 104 | +1.1 | 2.55 | 10.5 |

CENTRAL RAND

| Stock | Price | % Chg | Div | Yield |
|--------------|-------|-------|------|-------|
| Central Rand | 104 | +1.1 | 2.55 | 10.5 |
| Central Rand | 104 | +1.1 | 2.55 | 10.5 |

EASTERN RAND

| Stock | Price | % Chg | Div | Yield |
|--------------|-------|-------|------|-------|
| Eastern Rand | 104 | +1.1 | 2.55 | 10.5 |
| Eastern Rand | 104 | +1.1 | 2.55 | 10.5 |

FAIR WEST RAND

| Stock | Price | % Chg | Div | Yield |
|----------------|-------|-------|------|-------|
| Fair West Rand | 104 | +1.1 | 2.55 | 10.5 |
| Fair West Rand | 104 | +1.1 | 2.55 | 10.5 |

O.F.S.

| Stock | Price | % Chg | Div | Yield |
|--------|-------|-------|------|-------|
| O.F.S. | 104 | +1.1 | 2.55 | 10.5 |
| O.F.S. | 104 | +1.1 | 2.55 | 10.5 |

FINANCE

| Stock | Price | % Chg | Div | Yield |
|---------|-------|-------|------|-------|
| Finance | 104 | +1.1 | 2.55 | 10.5 |
| Finance | 104 | +1.1 | 2.55 | 10.5 |

DIAMOND AND PLATINUM

| Stock | Price | % Chg | Div | Yield |
|----------------------|-------|-------|------|-------|
| Diamond and Platinum | 104 | +1.1 | 2.55 | 10.5 |
| Diamond and Platinum | 104 | +1.1 | 2.55 | 10.5 |

OPTIONS

| Stock | Price | % Chg | Div | Yield |
|---------|-------|-------|------|-------|
| Options | 104 | +1.1 | 2.55 | 10.5 |
| Options | 104 | +1.1 | 2.55 | 10.5 |

A selection of Options traded in the London Stock Exchange Options Page

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

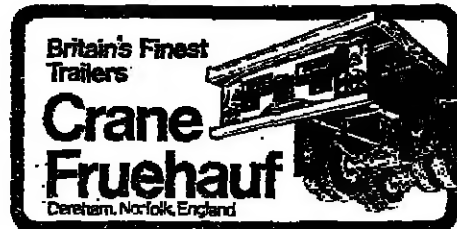
INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued



Tuesday August 22 1978



Angry Israel blames Britain for killings

BY OUR FOREIGN STAFF

BRITISH SECURITY arrangements which failed to prevent Palestinian guerrillas from attacking an El Al crew in central London on Sunday were criticised yesterday.

There was particular anger in Israel because the Israeli security men with the crew were unable to shoot back. Britain insists that the guards hand their guns to police at Heathrow before going into town.

As security around Israeli targets in London was being increased, Israeli warplanes pounded two Palestinian bases south of Beirut in retaliation for Sunday's attack, killing three people and injuring several more.

The Foreign Office expressed its sympathy for the victims of both attacks, and voiced its regret over the reprisal raid, which it said "merely perpetuates the cycle of violence."

At Scotland Yard, Commander James Nevill, whose anti-terrorism branch is leading the investigation, attended a top-level conference yesterday. He said his staff were ready to tackle terrorism in London. "Our police officers can and will be armed when this is necessary," he said.

Scotland Yard is constantly reviewing measures to protect likely targets, police said, but they refused to respond to the

Israeli criticism. Whitehall officials said that the police were doing their best but that it was impossible to guarantee complete security.

Mr. Mordechai Hod, managing director of El Al, admitted that the Palestinians appeared to have found a weak spot in the airline's security. But he, too, was sharply critical of the British refusal to let El Al security men carry guns in London.

"If the British claim that they are responsible for security, then they must now bear the responsibility for what happened," Mr. Hod declared.

Increasing

Mr. Meir Amit, Israel's Transport Minister, said that Sunday's attack, in which two people died, appeared to be part of a pattern of increased Palestinian activity prior to next month's Israel-Egypt-U.S. summit meeting at Camp David.

"His information was general, mainly concerning plans for raids inside Israel," but that does not rule out the need for stepped up alertness, or at least it shouldn't have."

He promised tougher security measures and announced the setting up of a joint committee to devise ways of carrying them out. One step might be to

restore the rule that El Al staff must not wear uniform except when on duty at the airport.

It was felt in Israel that a group of uniformed Israeli's presented too good a target in London, which is considered to be heavily infiltrated by Arab gunmen.

Mr. Mordechai Ben-Ari, the airline's executive chairman, said that the company would be recommending to the British Government ways to tighten security precautions. Responsibility for the maintenance of law and order was "totally" the responsibility of the UK Government, he said.

Dr. Rhodes Boyson, Opposition spokesman on education, yesterday called on Britain to call an international conference to stamp out terrorism. He also wants tighter security in London.

"I am very concerned about the growing practice of Arab terrorists using the streets of London to settle their international struggles," he said.

More emphasis must be placed on security, closer checks must be made at airports and seaports of people entering this country and full co-operation should be offered to other countries in a bid to stamp out terrorism.

Retaliation raid Page 4

Talks on £50m coal contract in final stages

BY JOHN LLOYD

BRITISH COAL International, the consultancy wing of the National Coal Board, is in the final stages of negotiating a contract worth about £50m to UK companies.

The contract, believed to be with the government of a South American country, is for a deal to expand the country's coal production and find markets for it. Discussions have taken place between the foreign government and the British mining equipment companies to ensure the supply of mining machinery and coal preparation plant.

PD-NCB, 50 per cent owned by the Coal Board and 50 per cent by Powell-Duffryn, is to assess the equipment requirements and will draw up a production plan aimed at giving the customer the maximum cost benefit and the most effective cash flow, thus making the deal self-financing.

Meetings with the Export Credits Guarantee Department and other Government departments involved in setting up overseas projects have been arranged.

It is understood that a consortium of UK mining machinery companies will lead the project, while British Coal International will co-ordinate the peripheral activities.

A second project, also nearing the end of negotiations, would involve British Coal International together with other UK mining equipment companies in construction of an open-pit mine and railway and dock facilities.

The coal would be shipped from the port to a power station, which is not included in the package. It is thought that this

contract is with the Australian Government, though no figure for the scheme is yet available.

Increased production from the UK's coal mines will be unlikely to find expanding markets in the European Community, according to Mr. Ronald Findlay, director of the National Coal Board's international department.

In the Colliery Guardian's annual review of the coal industry, Mr. Findlay writes that the "serious situation of other Community coal industries, the short-term attitudes of consumers, in particular, in the non-coal producing countries (which are disposed to take the exception to low-priced coal at present available on the world market in preference to Community coal), and the limits on the extent to which sales in competition with such coal is financially acceptable, are all factors making for difficulties in disposing of more British coal in the Community."

The Coal Board had hoped that the EEC countries would take about 5m tonnes of power station (steam) coal over the next few years to ease the problem of overproduction which the Board faces soon.

However, a scheme for steam coal subsidies has so far failed to be agreed by the Council of Ministers.

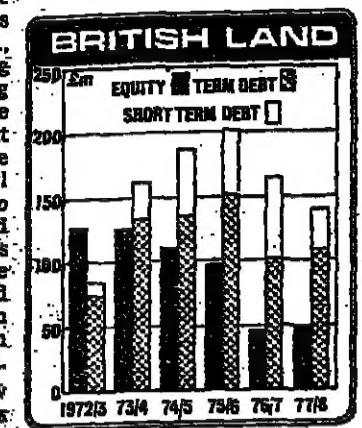
Mr. Findlay argues that without mechanisms to ensure disposal of the Community's coal stocks, the productive capacity will be threatened.

Although appropriate proposals have been submitted by the European Commission to the Council of Ministers, practically no progress has been made by the Council towards adopting them.

THE LEX COLUMN

British Land on firmer ground

Index rose 6.3 to 519.2



numbers justify the recent strength of the shares, which at 48p stand at a discount of about two-fifths on the directors' estimate of fully diluted net assets.

Hogg Robinson

After the merger of Lloyd's insurance broker Leslie and Godwin with the third largest quoted broker in the U.S., Frank B. Hall, other big British brokers are examining the U.S. links, and wondering whether they are as strong as they ought to be. Thus Hogg Robinson, in its annual report, lays emphasis on its effort to increase its involvement in North America. So far it has a direct representation, although it does have commercial links with several medium sized U.S. groups.

Its total North American portfolio, relative to other brokers, is small; last year U.S. dollar brokerage accounted for just over 15 per cent of the total. But although further commercial links are likely, there is little sign that a Leslie-Hall type merger is on the cards.

Siebens

The Hudson Bay Company appears to have been motivated mainly by price in its decision to sell its key holding of 35 per cent in Siebens, the Canadian oil and gas exploration company. This, together with the holdings of the Siebens family, will ensure the success of Dome Petroleum's bid for the company.

Siebens is growing by leaps and bounds. The company has

already predicted that its net earnings for 1978 will be 40 per cent up on the C\$1.56 reported for 1977—or about C\$2.18 per share. This year Siebens is spending C\$35m on oil and gas exploration, the bulk of it in Canada, against C\$26m last year.

The rationale for Dome would appear to be that it wants to increase its income from oil production to make full use of tax write-offs on unsuccessful exploration.

The share price of Siebens when the quotation was suspended yesterday was C\$36. Most Canadian oil stocks are priced at a p/e ratio of between 8 and 10, so allowing a substantial premium for a complete takeover, terms of around C\$40 per share are indicated. Initial signs are that Siebens Oil and Gas (UK), the North Sea Oil exploration company, will not be affected by the deal. It is felt in Toronto that Siebens' 35 per cent stake in the British company will merely be taken over by the new owners of the parent.

Amalgamated Metal

Yesterday's half-yearly report from Amalgamated Metal Corporation comes as a preliminary to the complex formal offer from the German group Preussag which will be sent out to shareholders later this week. Second quarter pre-tax profits of £3.13m compare with a small loss last year after the exceptional fraud provision of £1.8m and with £5.79m at the six months stage AMC is well ahead of the corresponding period, which produced only £4.19m even with the provision added back. Tin smelting and industrial activities are responsible for the gains, much more than offsetting a slight setback at London Metal Exchange activities.

All this will help the Board in seeking to encourage UK minority shareholders to retain their shares rather than accept the Preussag offer, which is designed for the purpose of switching control from Patino to Preussag. At 345p AMC's price is in any case slightly above the 333p per share underwritten cash value of the Preussag paper. There is a slight complication, in that since the terms were announced the Preussag share price has risen and the DM has strengthened, making the non-underwritten paper offer worth more like 360p. However, this does not look enough to have any bearing on the outcome.

TUC facing showdown on recruiting dispute

BY ALAN PIKE, LABOUR CORRESPONDENT

AN ATTEMPT to prevent the TUC general council's forcing senior engineers and managers to join established industrial unions until an investigation into inter-union disputes procedures has taken place will be made at the annual congress in Brighton next month.

The stage appears set for a full-scale debate arising from the increasingly bitter recruiting war in the engineering, shipbuilding and related industries between rival TUC unions seeking to represent senior staff.

The congress will be asked by the Engineers and Managers Association, which has 44,000 members, to recognise that the principles of fair treatment of all affiliates despite the fundamental differences between craft, general and industrial unions should apply equally to a fourth type of organisation, "namely those specialist unions representing managers." A congress acceptance of this principle would be a great stride forward in the association's efforts to establish the right of professional engineers and managers to belong to unions catering for their specific interests.

The association's efforts to enter the engineering and ship-

building industries are meeting with fierce resistance from existing unions in the Confederation of Shipbuilding and Engineering Unions. They argue that they can cater for the needs of all staff, however senior, and are opposed to any extension of their recognition rights to other unions.

The association has twice lost at TUC disputes committee hearings following complaints that its recruiting efforts in engineering companies were encroaching on another union's territory, and British Shipbuilders has still to reach a final decision on whether it will grant the association national recognition.

Peace moves

In an amendment for next month's congress the association asks delegates to reaffirm that the general council and disputes committees are required to operate "in a fair and consistent manner" and that disputes committees have no power to create "new Bridlington principles."

Another amendment has been tabled by the Engineers and Managers Association to a motion

calling for an investigation and review of the procedures governing inter-union disputes.

It asks the congress to instruct the general council to ensure that while the inquiry is in progress "no attempts should be made using the existing procedures to impose industrial trade unionism on groups of members who believe their trade union interests are better served by smaller affiliated unions catering solely for their particular needs."

TUC staff have recently stepped up their attempts to conciliate inter-union disputes, and Mr. Len Murray, general secretary, and other officials have frequently spoken on the need to rationalise organisation and avoid inter-union fights. However, a congress debate on recruitment problems at this delicate stage would highlight a range of differences among TUC-affiliated unions.

The original motion calling for an investigation comes from the National Graphical Association, whose assistant general secretary, Mr. Tony Dubbins, recently described the recruiting efforts of some unions as "licensed gangsterism."

The independent steel producers concerned are mostly in the Sheffield area but include some in Manchester and the North East.

The British Independent Steel Producers' Association has been campaigning for months for action against rising imports of three types of special steel—high-speed steel bar, tool steel, and stainless steel bar.

It is contended that in one month recently sufficient stainless steel bar was shipped to Britain from European producers to meet the entire needs of the market for that period. Imports of all three categories of steel are regularly exceeding half the British market requirements on a monthly basis.

No accurate figures for 1978 commitments are available. But British companies facing the European competition say they are being forced out of business by consignments of cheap steel

Plea to curb special steel imports

BY ROY HODSON

THE NATIONAL Economic Development Office's iron and steel sector working party has urged Government action against cheap special steel imports from the Continent.

Following an independent study, NEDO has concluded that steel industry complaints of unfair competition are justified and that serious damage to the independent British steelmakers will result unless action is taken.

The sector working party has written to Mr. Eric Varley, Industry Secretary, this week informing him of the results of an investigation spanning several months. The NEDO committee is recommending that the Government quickly applies "remedial action to help the British steel industry."

The independent steel producers concerned are mostly in the Sheffield area but include some in Manchester and the North East.

The British Independent Steel Producers' Association has been campaigning for months for action against rising imports of three types of special steel—high-speed steel bar, tool steel, and stainless steel bar.

It is contended that in one month recently sufficient stainless steel bar was shipped to Britain from European producers to meet the entire needs of the market for that period. Imports of all three categories of steel are regularly exceeding half the British market requirements on a monthly basis.

No accurate figures for 1978 commitments are available. But British companies facing the European competition say they are being forced out of business by consignments of cheap steel

| SPECIAL STEEL IMPORTS | | | |
|-----------------------|------|------|------|
| (% of British market) | | | |
| | 1971 | 1974 | 1977 |
| High speed steel bar | 1 | 19 | 30 |
| Tool steel | 8 | 22 | 49 |
| Stainless steel bar | 5 | 25 | 69 |

dumped by Continental producers.

Mr. Stanley Speight, the Master Cutler and chairman of Nospedal, a special steels producer, said: "The whole future of the Sheffield steel industry is in doubt unless action is taken to stop this growing wave of cheap imports."

West Germany is believed to have captured almost one-quarter of the British market in some classifications of special steel within a few months. Other sources of the imports include Sweden, Austria, France and Italy.

Some steel arriving from EEC nations is thought to have originated in Comecon countries. The prospect of the over-capacity crisis in international bulk steel production becoming more serious during the autumn will be discussed today at the Brussels meeting of Eurofer, the club of European steelmakers.

The steel companies are anxious to restore discipline in their ranks to give the Davignon Plan for European steel protection a fair chance to succeed.

The new disorder in the special steels trade now acknowledged by NEDO is by comparison a sideshow which the major companies would like to see settled by restraints agreed between individual European governments and producers.

Dome in move to buy Siebens Oil and Gas

BY NICHOLAS COLCHESTER

DOMESTIC PETROLEUM, the Canadian oil and gas exploration company, is believed to be taking over Siebens Oil and Gas in a deal worth close to C\$400m (£120m).

Siebens has a stake in the North Sea via its 32 per cent stake in Siebens Oil and Gas UK. The Siebens family, which has a controlling holding in Siebens, has agreed to sell to Dome—and so has the other major shareholder, the Hudson

Bay Company, which has a 34.6 per cent stake.

Pending announcement of the deal, the shares of Dome Petroleum, Hudson Bay and Siebens Oil and Gas were suspended in Canada yesterday morning.

The closing price of Siebens on Friday was C\$36; and there are 9.2m shares in issue. The management of Dome Petroleum conceded that announcement of a deal was imminent.

Continued from Page 1

More air delays likely

imposed on and off since the middle of July.

The various unions' national bureaux will then decide on the form of the go-slow in the generally moderate Force Ouvrière union has called on other technical staff to join the movement to increase its impact on flights in and out of France.

Traffic at French airports this weekend is likely to be heavier, since families on holiday from the beginning of the month will be returning.

The controllers may also decide to clamp down more heavily

on traffic volume.

The unions expressed their disappointment after meetings with Government representatives on Friday and Saturday, having suspended their action in acceptance of the Government's conditions for renewing negotiations.

The controllers want bonuses, which account for up to 40 per cent of their income, lumped together with their salaries, to guarantee the same rate of increase.

The Government has agreed to maintain the real value of some bonuses and shares others.

BOCM-Silcock in discounts probe

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

LOYALTY DISCOUNTS given to companies by BOCM-Silcock, the leading processor of compound animal feedstuffs in the UK, are to be studied by the Monopolies Commission at part of its trade discounts investigation.

This was revealed yesterday by Mr. Roy Hattersley, Prices Secretary, and follows a highly critical Price Commission report alleging price collusion by the six leading companies in the industry.

Mr. Hattersley said yesterday that inquiries by the Director General of Fair Trading "have

disclosed an unregistered and therefore unlawful agreement between a number of suppliers. These suppliers had operated since 1970 a common pricing agreement which was abandoned at the beginning of May this year following the Price Commission's criticisms.

Although the suppliers have since sought formally to register their price agreement under the Restrictive Trade Practices Acts of 1976 and 1977, it emerged yesterday that they are still forbidden to adopt common pricing until their case had been considered by the Restrictive Practices Court.

Weather

UK TODAY

DRY and sunny in S. cloudy and some rain in Wales, Midlands and N. London, S. England, E. Anglia, E. Midlands, Channel Isles. Mainly sunny at first, cloudy later. Warm. Max. 21C-23C (70F-73F).

E., and Cent. N. England, W. Midlands, S. Wales. Dry at first, cloudy perhaps

with rain later, cool. Max. 18C-19C (61F-64F).

N. Wales, N.E. and N.W. England, Lakes. Cloudy, rain, brighter later. Max. 17C-19C (63F-66F).

Isle of Man, Borders, Edinburgh, Dundee, Aberdeen, S.W. Scotland, Glasgow, Cent. Highlands, Argyll, N. Ireland. Dry, sunny intervals. Max. 17C-18C (63F-66F).

Moray Firth, N. Scotland, Orkney, Shetland. Sunny intervals, scattered showers. Max. 14C-18C (57F-61F).

Outlook: Mostly dry and sunny after little rain in S.

HOLIDAY RESORTS

| Y-day | Mid-day | Y-day | Mid-day |
|--------------|---------|-------|---------|
| Amsterdam | 20 | 20 | 20 |
| Antwerp | 20 | 20 | 20 |
| Bath | 20 | 20 | 20 |
| Birmingham | 20 | 20 | 20 |
| Bristol | 20 | 20 | 20 |
| Buenos Aires | 20 | 20 | 20 |
| Cardiff | 20 | 20 | 20 |
| Cairo | 20 | 20 | 20 |
| Canberra | 20 | 20 | 20 |
| Chengdu | 20 | 20 | 20 |
| Copenhagen | 20 | 20 | 20 |
| Dublin | 20 | 20 | 20 |
| Edinburgh | 20 | 20 | 20 |
| Geneva | 20 | 20 | 20 |
| Glasgow | 20 | 20 | 20 |
| Hong Kong | 20 | 20 | 20 |
| London | 20 | 20 | 20 |
| Lyons | 20 | 20 | 20 |
| Madrid | 20 | 20 | 20 |
| Manila | 20 | 20 | 20 |
| Melbourne | 20 | 20 | 20 |
| Moscow | 20 | 20 | 20 |
| Munich | 20 | 20 | 20 |
| New York | 20 | 20 | 20 |
| Osaka | 20 | 20 | 20 |
| Paris | 20 | 20 | 20 |
| Perth | 20 | 20 | 20 |
| Rangoon | 20 | 20 | 20 |
| Reykjavik | 20 | 20 | 20 |
| Rome | 20 | 20 | 20 |
| Singapore | 20 | 20 | 20 |
| Stockholm | 20 | 20 | 20 |
| Sydney | 20 | 20 | 20 |
| Taipei | 20 | 20 | 20 |
| Tokyo | 20 | 20 | 20 |
| Toronto | 20 | 20 | 20 |
| Winnipeg | 20 | 20 | 20 |
| Zurich | 20 | 20 | 20 |

Alcan price increases average 8%

By Roy Hodson

AN AVERAGE 8 per cent increase in the price of some aluminium products was announced by Alcan Aluminium (UK) yesterday.

Alcan has more price changes in the pipeline and will announce a new price for primary aluminium ingot next month.

In previous price rises in the industry Alcan has been regarded as the market leader. Last night other companies were considering the Alcan moves.

The Price Commission has been notified that the prices charged by Alcan Aluminium for plate, special sheet products, extruded products, foil, and finished products, will be raised from the beginning of September.

Continued from Page 1

Dollar

the dollar to 4.8 per cent above last Tuesday's low against the D-mark, to 7.8 per cent above the Swiss franc and to 6.2 per cent above its weakest level compared with the Japanese yen.

The recovery in the dollar has been mirrored by a sharp fall in the price of gold in the London bullion market. The price per ounce dropped to a level of \$204.1 and the closing level of \$203.1 was still 941 down on the day, \$101 below the all-time high of a week ago.

Movements in sterling were overshadowed by the recovery of the U.S. currency. The rate dropped by 1.43 cents to \$1.9285 after a low of \$1.9185. This compares with a peak last Tuesday of just over \$2.00.

The pound appreciated slightly against the French franc and the Swiss franc, and the trade-weighted index was unchanged at 82.3.

The M&G Pension Fund Investment Service.

For some years now M&G have been providing an investment management service for the pension funds of companies and public corporations, as well as charitable foundations.

We are now extending this facility and taking on new clients for our Pension Fund Investment Service. Our independent status, wide contacts with stockbrokers and the very substantial volume of investments under M&G management place us in an ideal position to provide an investment service of this type.

For a copy of our new booklet "The M&G Pension Fund Investment Service," or to arrange an appointment to discuss the investment management of your Company's pension fund, please write to:

David Morgan,
M&G Investment Management Ltd.,
Three Quays, Tower Hill,
London, EC3R 6BQ. Tel: 01-626 4588



THE M&G GROUP

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Broken House, Cannon Street, London, EC4A 3DF. © The Financial Times Ltd. 1978